



Daily Report

Latin America

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6 July 1988

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Cuba

Government Condemns Downing of Iranian Plane

PA0507165188 Havana International Service
in Spanish 1603 GMT 5 Jul 88

[Text] The Cuban Foreign Ministry in Havana has released a document of condemnation expressing the Cuban Government's and people's deepest indignation over the deaths of 290 people, including 66 children, as a result of Sunday's downing of an Iranian commercial plane by U.S. naval forces in the Persian Gulf. The document rejects the U.S. version of the incident in which the United States tries to present this massacre simply as an accident caused by a mistake in identifying the craft. The document adds that everyone knows the sophisticated equipment on board the "USS Vincennes" can clearly distinguish between a military and civilian craft.

The Cuban Foreign Ministry document also includes a condolence message addressed to the Iranian Government and the families of the victims of this criminal act. In conclusion, the document stresses that the downing of the Iranian plane once again proves that the growing presence of U.S. and NATO military forces in the Persian Gulf represents a danger for international peace and safety.

U.S. 'Unjustifiable Massacre'

PA0507154288 Havana International Service
in Spanish 0000 GMT 5 Jul 88

["Point of View" commentary read by Norberto Hernandez]

[Text] The United States committed a massacre a few hours ago [as heard] by downing an Iranian plane with almost 300 passengers on board as the aircraft was flying between Tehran and the Arab Emirates.

Official U.S. reaction has been to justify such a barbaric act by alleging that the U.S. warships that have been in the Persian Gulf for more than a year acted in self-defense in that highly embattled area. The question one could ask Ronald Reagan is: What are U.S. warships doing thousands of kilometers from the United States patrolling distant waters and acting like a criminal who roams the big city looking for a victim?

The international community has repeatedly cautioned that the illegal presence of U.S. naval units in the Persian Gulf serves only to prolong and widen the Iran-Iraq conflict, and that this presence is designed to impose U.S. influence in the area. Measures taken in line with this provocative attitude are now known.

This 4th of July, as the North Americans celebrate their Independence Day, the world is in shock over the terrible fate of hundreds of people, including more than 60 children, who were torn to pieces by U.S. firepower thousands of miles from the United States. Reagan can say he regrets the massacre. However, it is a demonstrated fact that U.S. military personnel carrying out

meddling activities in the Persian Gulf know very well about the regular international flights that use the air corridor traveled by Iranian commercial aircraft. In addition, U.S. personnel have sophisticated equipment allowing them to distinguish between a passenger airplane and military aircraft.

Unlike the South Korean airplane U.S. intelligence services deliberately detoured to make it fly over Soviet territory for espionage objectives and that Soviet anti-aircraft units downed several years ago, the Iranian plane was flying in a traditional corridor that is well marked on international air traffic maps.

Experts say the cruiser "Vincennes," which fired the missiles that destroyed the commercial aircraft, has the sophisticated Aegis radar system, which can automatically detect and identify military targets.

Thus one is led to think this was an intentional attack by the United States in an area where Washington wants to further inflame the situation and to forcefully impose itself.

The international community, with the exception of governments that favor Reagan's meddling policy, has already begun to demonstrate its absolute rejection of this unjustifiable massacre, which is an immediate consequence of the extremely large U.S. military presence in an area of the world that has nothing to do with the security of U.S. territory, people, or properties. With only a few months remaining before his administration comes to an end, Reagan has another crime on his hands; an action that resulted from an unjustified act of piracy cannot be called anything else.

Castro Attends Construction Workers Congress

FL0507142988 Havana Radio Reloj Network
in Spanish 1014 GMT 5 Jul 88

[Text] Radio Reloj reporting, Radio Reloj reporting: Our Commander in Chief Fidel Castro is presiding over the session inaugurating the sixth congress of the construction workers union which began this morning at the CTC's [Central Organization of Cuban Trade Unions] Lazaro Pena Theater in Havana.

The highest forum of the white hard hat workers is attended by 500 delegates, who will debate for 2 days fundamental problems related to production, trade union efforts, and the organization of the construction sector.

Cost, Production Comments

FL0507185288 Havana Radio Rebelde Network
in Spanish 1700 GMT 5 Jul 88

[Text] With the presence of Commander in Chief Fidel Castro, president of the Councils of State and Ministers, debate continues on the main report at the sixth congress of the construction workers trade union which is meeting at the CTC's Lazaro Pena Theater in Havana.

The most-debated topics have been related to safety measures, attention to man, productivity control, and efficiency in production.

The leader of the Cuban revolution had a dialogue with delegate Luis Hernandez of the Blas Roca contingent.

[Begin recording] [Hernandez] We want to tell this congress that our workers not only build roads, bridges, and sewers, but we are also part of a special group of engineers. Our contingent has pledged, along with Havana City, to declare ourselves ready for defense first stage by October. [applause]

[Castro] I think, I think [repeats himself] you left out a very important little detail in this matter of production and efficiency. You mentioned something of extreme importance which is the matter of costs, how costs are handled there. We do not speak of earnings; we speak of costs. How much does everything really cost? We're not talking about that inflated price [inflo-precio] trick or something similar used to invent earnings such as those here. If we press the matter, we'll have inflated prices here in industrial quantities as we did in past years, which I hope have passed. [laughter]

All this, for example, points out a characteristic of the contingent. It shows the number of workers directly involved in production in relation to the number of workers indirectly involved in production.

[Hernandez] Yes, you're right.

[Castro] This is something else. It is a key factor. The contingent is a type of enterprise even though it is not an enterprise. I would say it is a superior enterprise, an economic organization that is superior in production. It is not guided by any of the criteria created for others but it does comply with the concept of costs, which is a key factor.

There are enterprises that have one direct... [corrects himself] three indirect workers for each direct worker in production. This is a point that has to be made, and I think that it needs to be discussed in this congress. That was not mentioned in the report.

The report mentioned the problem of bloated personnel rosters. However, the problem of workers directly and indirectly related to production, this fundamental aspect, does not appear to be mentioned here. [end recording]

The delegates will continue discussing the main report this afternoon and special speeches will be made by foreign delegates invited to the event.

The closing ceremony is scheduled for tomorrow.

Views Role of Construction

FL0607021088 Havana Television Service in Spanish
0000 GMT 6 Jul 88

[Text] Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, is chairing the sixth congress of the National Trade Union of Construction Workers at Havana's Lazaro Pena Theater.

Speaking this afternoon, the commander in chief called for national solutions to production problems.

[Begin Castro recording] Without production we can't even talk about masks. If we don't produce, there will be no shoes, masks, or anything like that. That is to say, much of the country's economic development and the availability of all these things we need and like will depend on the production of the construction workers.

In Moa, at one point, 40 percent of the production... [corrects himself] 40 percent of the workers were indirect workers. That's incredible. I now see that the Blas Roca contingent has an indirect worker for every 10 engaged in production. Ten workers. In other words, 1 indirect and 9 direct workers in production. The problem of direct and indirect workers in production is a very fundamental one. I don't think it's here. [Castro shows pamphlet to person sitting next to him on dais] I don't know if any of you who has read it several times or who has written it might remember. I feel this is a key, key, key [repeats himself] point, a very key point in the matter of efficiency and production.

The country has to develop. It has to develop. And the construction workers play an essential role in the country's development. The most basic of activities is construction, because everything depends on construction. Schools, education, health, buildings, hospitals, polyclinics, and all that depend on construction. Social development depends on construction: child care centers, housing, stores, bakeries, all that. Industry depends on construction. Agriculture depends on construction. Transportation depends on construction. If the construction sector does not function to the fullest, all other sectors in the country suffer the consequences. If the construction work is not coming along, we have a disaster on our hands. No country can develop like that.

So in all these ideas, we must be aware of the vices we must eliminate so that the construction workers can play a role. [end recording]

The discussions during the past few hours have centered on whether tools should be sold to the construction workers, the instability of much of the personnel situation in the projects, and the completion of construction plans. Discussion of the main report is expected to conclude tomorrow. It should be approved around noon.

Rodriguez Departs for CEMA Meeting in Prague
FL0407151088 Havana Tele-Rebelde Network
in Spanish 1000 GMT 4 Jul 88

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, left for Prague last night to attend the 44th CEMA session. The Cuban delegation is also composed of Lionel Soto Prieto, secretary of the PCC Central Committee; Antonio Esquivel Yedra, vice president of the Council of State; Jose Lopez Moreno, minister president of the Central Planning Board and vice president of the Council of State; other comrade ministers; and party leaders.

The meeting will be held from 5 to 7 July in the CSSR capital. During the sessions, the extensive agenda will include an analysis of the international socialist work (directorates) and objective analysis of the complex period of perfecting the integration mechanism and socialist economic cooperation.

Address at Meeting Reported
FL0607014088 Havana Television Service in Spanish
0000 GMT 6 Jul 88

[Text] Cuba has described the 44th CEMA session which began today in Prague as decisive in the common effort to reinforce and strengthen socialism as a broad and clear option for the entire human race. Carlos Rafael Rodriguez, who is heading the Cuban delegation to the meeting, stated that the world seems to be moving toward an atmosphere in which dialogue prevails over confrontation; it is thus necessary to negotiate.

Rodriguez, vice president of the Cuban Councils of State and Ministers and member of the PCC Politburo, expressed appreciation to the Soviet Union, especially CPSU General Secretary Mikhail Gorbachev, whose actions in this regard he termed admirable. Rodriguez said Cuba is closely following the basic changes proposed in CEMA, particularly plans in the area of trade concerning a unified market among interested countries.

Carlos Rafael further stated that Cuba is also closely analyzing the restructuring underway in the USSR and other socialist countries, as well as the recent CPSU conference, and is examining which elements are applicable to the Cuban economy. In concluding, the Cuban leader exhorted the 10 CEMA member countries to reinforce their ties with the nations of the Third World.

Malmierca, Cambodian Deputy Minister Meet
FL0507034888 Havana Radio Reloj Network
in Spanish 0320 GMT 5 Jul 88

[Text] Isidoro Malmierca, foreign minister of Cuba, has received (Long Vi Salo), deputy foreign minister of the People's Republic of Kampuchea [PRK], who is heading a Cambodian delegation visiting our country. During their meeting, Deputy Minister (Long Vi Salo) explained his government's position and efforts in the search for a

political solution to the Cambodian conflict. The two officials reviewed the excellent relations between the two countries, as well as the international political situation.

The Cambodian official, who arrived on 25 June, has met with various Cuban Foreign Ministry [Minrex] officials. Present at his meeting with Malmierca were officials from the Minrex and the PRK Foreign Ministry.

'Manipulation' by Western Mass Media Viewed

FL2806160688 [Editorial Report] Havana Television Cubana Network in Spanish at 0030 GMT on 24 June carries its regularly scheduled "International View" program. Host Eduard Dimas says "tonight's unusual topic is on the manipulation of information and news by the mass media in the capitalist world." This evening's guests include doctoral candidates and pollsters Julio Cesar Gonzalez and Emilio Sanchez Cartas.

Dimas begins the program by stating that modern communications satellites play a very important role in the "information war" that goes on throughout the world. Within the framework of this concept, says Dimas, imperialist media manipulates news information.

When asked to define manipulation of information, Sanchez Cartas replies that it "is everything that is used to deceive others." "Manipulation is used to influence a person to do something against his will without him being aware of it," says Sanchez Cartas. Sanchez notes that the process of socialization in a capitalist country contains certain factors that make a person susceptible to manipulation, such as social factors or a person's style of living or education.

Gonzalez adds that manipulation is used in imperialist propaganda to get people to take certain political actions. "The techniques used in publicity, in commercial propaganda, have been transferred to political propaganda," he says.

Dimas notes that "a figure who has undoubtedly been commercialized is the President of the United States."

In reference to President Reagan, Sanchez Cartas says that "he has placed a strong emphasis on the need to use the war of ideas." "Reagan has promoted the family, morality, religion, a strong nationalism, and fierce anti-communism as lofty values and this," he says, "is the fundamental basis of a manipulative propaganda." "Reagan's role in propaganda is very significant," he says. Sanchez Cartas adds that "Reagan's two terms in office have shown an increase in the psychological war against socialist countries, especially against Cuba."

As an example of a measure used by Reagan in the psychological war against Cuba, Sanchez Cartas notes that the Santa Fe document allowed the creation of an "anti-Cuban radio station." This first thing Reagan did upon assuming office was to take steps to carry out this

idea, he says, "Currently, this anti-Cuban radio station is part of a radio war against us, against our country," he says. Sanchez Cartas notes that the radio is a fundamental weapon used in the psychological war.

The reason for this, adds Gonzalez, is because the radio has certain characteristics that make it a good tool. For example, he says, radio signals can reach a great distance. Radios are inexpensive. People can listen to the radio and do other things; thus, they are not aware that they are being manipulated by the information they hear.

People's Council Formed in Havana Province

*FL0507143088 Havana Tele-Rebelde Network
in Spanish 1100 GMT 5 Jul 88*

[Text] Jose Ramon Machado Ventura, member of the PCC Central Committee Politburo and Secretariat, attended the creation of the first People's Council in San Antonio de las Vegas, Havana Province.

The purpose of the people's councils is to represent the organs of the National Assembly of the People's Government [ANPP] and to exercise control and supervision over administrative and service units in their territories. This (first) council is composed of 12 delegates, 4 from urban areas and 8 from rural areas. Comrade Alicia Dominguez was elected president; she has extensive background in these types of functions.

The new entities are being formed as a result of the experience obtained by the executive delegates of the ANPP and have as a fundamental task increasing people's participation in state activities. The councils will be formed in the main localities of historical municipalities and in other places where residents have an official capacity over the rural population. [sentence as heard]

PCC's Balaguer Opens Seminar on Che's Ideas

*FL0207170488 Havana Radio Progreso Network
in Spanish 1100 GMT 2 Jul 88*

[Text] Rescuing Che's valuable legacy is an imperative of our times when socialism is gaining strength and taking off on new pathways, according to Jose Ramon Balaguer, member of the PCC Central Committee Secretariat. He was speaking at the opening of the seminar "Socialism and Man in Cuba," which is taking place at Havana's Palace of Conventions. The seminar was organized by the PCC Secretariat and is dedicated to the 60th anniversary of the birth of the heroic guerrilla. The gathering is a good time to evaluate various views with the purpose of getting closer to the ideas professed and consistently practiced by Che.

Researchers from scientific and cultural institutions and higher education centers are attending the seminar, as are prominent guests from Latin America, Asia, Africa, and Europe. Students of Che's ideas have presented a total of 20 papers, which are now being discussed.

Che Cited on Role of Youth

*FL0207181888 Havana Tele-Rebelde Network
in Spanish 1700 GMT 2 Jul 88*

[Text] The seminar "Socialism and Man in Cuba," dedicated to the 60th anniversary of the birth of the heroic guerrilla, continues meeting today. With more information from the Palace of Conventions, here is our colleague, Ileana Martinez:

[Martinez] Young people should do what they think. They should act with a spontaneity suited to their age but without ceasing to think carefully and analytically, to be critical and self-critical, because, as Che said, the basic clay for our work is our young. We pin our hopes on them and prepare them to take up the standard from our hands. The seminar "Socialism and Man in Cuba" devoted its morning session today to a roundtable on Che and the young, since to talk about Che to young people is to help them develop the qualities of the man of the future. He is the personification of that man, the communist man.

Also this morning, the DPRK ambassador, by decree of the Central Committee [of the Workers Party of Korea], posthumously presented the National Flag Order, first grade, and the corresponding certificate to the heroic guerrilla Ernesto Che Guevara for being an exemplary internationalist combatant.

The seminar "Socialism and Man in Cuba," with its scientific and ideological character, promotes interesting and profound debates among the participants.

[Begin recording] [Delegate] For instance, if we want to have a brave, independent, and noble young person, a young person who will shake with indignation when an unjust deed is done, a young person who is genuine, honest, and all those things that we have experienced and perceived in Che and the leaders of our revolution, we have to do something to teach them to be so.

[Second delegate] We are terrified of mistakes, but we are not terrified of mistakes in the abstract. No psychic process in man can be abstract, just like morals are not abstract. We are terrified of mistakes because of the way our structures operate. In other words, a control and assistance unit comes to our workplace, for example, and we make a critical analysis. The unit then recommends three positive things. However, they then write a paean to mistakes this long. So the cadres couldn't care less. They do not admit to mistakes. I really think that the individualization process could break with the exaggerated centralization with which our society functions. [end recording]

Seminar Concludes

*FL0507024188 Havana Television Service in Spanish
0000 GMT 4 Jul 88*

[Text] A group of teachers, psychologists, economists, philosophers, and others who have been studying the life and work of Ernesto Che Guevara met for 3 days to share ideas and reflections to give us new analyses we should take into account in the process of our revolution.

The seminar "Socialism and Man in Cuba" concluded a few minutes ago at the Palace of Conventions. With its scientific and ideological character, the seminar moved all its participants to examine closely the work of the heroic guerrilla, starting with his most important book, the one that gave the seminar its name.

[Begin recording of Jorge Enrique Mendoza, member of the PCC Central Committee] This seminar is but a moment in the study of Che's ideas. This necessary study neither begins nor ends here, when we leave this hall this afternoon. There is something very evident. We have to make the study of Che's ideas a systematic one. We have to bring this study and these ideas to the scientific level they require. This study of Che's ideas cannot, under any circumstance, be reduced to anecdotes or quotations. This study cannot be an academic task either. It has to be an ideological and political task in close connection with our present problems and future plans. [end recording]

Two special reports were heard this afternoon. They dealt with Che's economic doctrine and his views on the role of women in the revolution. In theory and in practice, Ernesto Guevara was the forerunner of the new society. This group of students of his work has paid him tribute during these 3 days and helped to propagate his ideas. As Fidel said, if he lives now more than ever, the fatherland, too, will live more than ever.

Minister Notes Problems in Transport Sector

FL2906194588 Havana Radio Reloj Network
in Spanish 1403 GMT 29 Jun 88

[Text] The efforts of transport workers guaranteed the good execution of their enterprises' plans in 1987 despite difficulties involving material, human, and financial resources. This was stated by Diocles Torralba, member of the PCC Central Committee and minister of transportation, during the closing of the national celebration of transport workers day at the Jaguey Grande bus station. He added that although objective problems persisted this year, the accumulated merchandise program had been satisfactorily completed at the end of May. This was an increase over the same period last year. Torralba also said that the deficiencies in the sector must be eradicated. Among them he noted insufficient exploitation of available means, inefficiency in the use of the labor force, and poor service to the public.

Students Reintegrated Into Educational System

FL2906183488 Havana Radio Reloj Network
in Spanish 1404 GMT 29 Jun 88

[Text] More than 2,600 Havana Province youngsters 13 to 16 years of age who were not attending classes have gone back into the national education system during the present school term. According to Juana Gonzalez Betancourt, secretary of Havana's provincial commission on social prevention and attention, this figure represents 65 percent of the total. During this same period, the municipal employment offices procured jobs for 192 single mothers and

members of low-income families, who also obtained scholarships or places in child care centers for small children. Moreover, Havana's provincial commission on social prevention and attention offered services to families with behavior problems and provided special care to children and teenagers.

New Form of AIDS Virus Penetration Described

FL0107154988 Havana Tele-Rebelde Network
in Spanish 1100 GMT 1 Jul 88

[Text] Cuba has become the second country in the world, after Japan, to describe a new form of penetration involving the AIDS virus cell. The new mechanism detected and described is called (fabositis). Through this mechanism, the healthy cell incorporates complete viral particles. This is different from the so-called fusion, an already-recognized form whereby the virus membrane attaches itself to the healthy cell.

This important achievement was made known during the second day of sessions of the 10th scientific seminar at the National Center for Scientific Research, CNIC, and it is the work of two CNIC specialists, doctoral candidate (Odelsa Ancheta) and technician Maria Elena Ramos, both of whom are part of the biomedical group.

Caricom

Ninth Heads of Government Summit Opens

Vere Bird Speaks

FL0507165188 Bridgetown CANA in English
1629 GMT 5 Jul 88

[Text] St John's, Antigua, July 5, CANA—Veteran Antigua and Barbuda Prime Minister Vere Bird, a stalwart of the regional integration movement, has challenged the present generation of Caribbean people to continue striving for a vibrant West Indian nation.

Addressing the opening of the Ninth Caricom Heads of Government Summit here Monday night, Bird told the large gathering: I have no doubt that the ambition for a West Indian nation...remains right for this generation.

Reflecting on his almost 50 years in politics and the regional integration movement, the 77-year-old Antiguan leader said the fulfilment of a West Indian nation was at one time only a dream which often seemed unreal.

However, he observed that those of us who kept on trodding its path despite the odds...who grew weary, but never tired of the struggle...found strength...in the biblical reminder that the race is not to the swift, nor the battle to the strong. He said the road to nationhood for Caribbean countries was long and hard, noting many succumbed...not because of the struggles, but in spite of it, since it was the struggles to make the West Indies West Indian that had sustained them....

Bird who now takes over the chairmanship of Caricom, also lauded the successes of the sub-regional Organisation of Eastern Caribbean States (OECS). He said the sub-regional grouping is a notable tribute to successful voluntary co-operation among the countries in their mutual interest.

The Eastern Caribbean Central Bank, he noted, with its secure Eastern Caribbean currency, was also testimony to the benefits of the collaboration of the seven OECS countries. In a world troubled by fluctuating exchange rates and weakening currency, the countries of the Eastern Caribbean stand strong, Bird said.

Further, the Antigua and Barbuda leader urged regional heads gathered here to give greater attention to efforts at deepening and strengthening existing integration arrangements, adding to them institutions which would enhance peoples consciousness of our common identity. There is disagreement on many matters among our governments, but there is a greater level of co-operation on external matters today than there ever has been, Bird said.

Bird called for a single team to represent the Caribbean in future negotiations over the U.S.-sponsored Caribbean Basin Initiative (CBI) and Canada's Caribbean programme. Similarly, he said that such a team should not be limited only to these negotiations, but should also represent the Caribbean in other international trade negotiations under the aegis of the General Agreement on Trade and Tariffs (GATT) and the United Nations Conference on Trade Development (UNCTAD).

Their presence in these bodies must not merely be that of passive observers warming chairs at the expense of the Caribbean people. They must be active negotiators, using the organisations to carry the case for better terms of trade in goods and services, Bird said.

In calling for new measures to support the regional economy, the Antigua and Barbuda prime minister said the time had come for the Caricom enterprise regime to be brought into force.

Reflecting on the need for the Caribbean to increase exports, he expressed the hope that the inaugural OECS trade and investment exposition scheduled for Antigua in September would help to improve the sub-regional credit worthiness.

Blaize, Esquivel Speak

FL0507173688 Bridgetown CANA in English
1649 GMT 5 Jul 88

[Text] St John's, Antigua, July 5, CANA—The Caribbean needs development assistance, rather than handouts, Grenada's Prime Minister Herbert Blaize, said here.

Blaize made the comments Monday, during a short address to the opening of the Ninth Caribbean Community (Caricom) Heads of Government Summit.

Blaize said Caribbean countries should not be ashamed to receive assistance from abroad so long as it is not what is given to mendicants. We do not wish handouts in the Caribbean. Those who help us must give us a hand up so that we can help ourselves to reach where we are going, the Grenada prime minister said.

Blaize told his Caricom counterparts that what was required for regional integration was the commitment, re-dedication, and good will of the leaders and peoples to ensure that the Caribbean reaches its destiny of economic prosperity. Like one prime minister said in the Caribbean, we are like sardines in a sea of sharks. What we have to do is to make sure we upgrade the size of the sardines into big fish, so that we also have a chance to survive, he remarked.

Echoing similar sentiments, Belize Prime Minister Manuel Esquivel said Caricom member states have made many strides in reviving failed economies, but noted that further co-operation is needed to keep alive the regional integration movement. He pointed out that in the past years individual states of Caricom have sacrificed economic expediency at home in order to promote regional economic strength.

Individual states have undergone strenuous structural changes to get their economies on the right course. But in spite of the efforts...obstacles remain, domestic, regional, and international, Esquivel said.

He added that the country's primary exports—sugar and bananas—continue to face an increasingly hostile market place. Further diversification, he said, has proved difficult and time consuming and returns on the country's efforts have been slow. Growing protectionist sentiments and other traditional trading partners threaten to make our task even more difficult, he said.

Esquivel told the meeting the role of Caricom as a formidable economic and political force into the next century will be very significant and said leaders would have to rise to the occasion.

He said he views the conference agenda as evidence of a genuine desire not just for talk about unity and oneness, but to convert potential into reality of social, economic, and political strength as a Caribbean people.

Our regional institutions and programmes need to be strengthened and expanded to meet changing demands. Our external relations must be realistic and firmly based on our peoples hopes and aspirations, Esquivel said.

Haiti, Drugs, Trade Discussed

FL0507205688 Bridgetown CANA in English
0234 GMT 5 Jul 88

[Text] St John's, Antigua, July 4, CANA—Barbados Prime Minister Erskine Sandiford on Monday night called for the suspension of Haiti's observer status in the Caribbean

Community (Caricom), in the wake of last month's military coup there. Sandiford was one of seven speakers as the Ninth Caricom Heads of Government Summit opened at the posh 350-room Royal Antiguan Hotel here.

He said his call came against the background of "much public criticism" of Caribbean leaders recently "for their alleged failure to take a strong unified position on developments in Haiti since 1987."

The French-speaking Haiti has observer status on Caricom's ministerial committees dealing with health, education, agriculture, and labour.

Barbados did not recognise the deposed civilian government of Leslie Manigat, which came to power in flawed elections last January and was ousted in a June 19 military coup.

"We grieve for the suffering people of Haiti, yet again denied the enjoyment of their basic human rights," Sandiford said in reference to recent developments there.

Outgoing Caricom chairman, St Lucia Prime Minister John Compton stopped short of demanding the suspension of Haiti. He said the five-day summit must show its displeasure at recent events in Haiti, where an uprising led by General Henri Namphy ended the poor Caribbean state's struggling four-month experiment with democracy.

Without actually naming the United States, Bahamas Prime Minister Sir Lynden Pindling attacked Washington's recent big stick policies in the Caribbean. Sir Lynden, whose government has been under increasing pressure from American authorities over alleged drug dealings, declared:

"...The fundamental principles of respect for our sovereignty and non-interference in our internal affairs, which were established by the Monroe Doctrine and have constituted the framework of regional relations since 1823, appear to have been replaced by ideologically-motivated, interventionist policy which is being conducted on two tracks.

"On the one hand, the formal network of regional diplomatic officers has been handed over to zealous activists who have been briefed to conduct a modern 'gunboat diplomacy'.

"On the other hand, the apparatus of international justice and decency has been hijacked by gunslinging loyalists who have misappropriated the powers of their office to undermine the sovereignty of some of the region's duly-elected, democratic governments who, wittingly or unwittingly, may have fallen afoul of the cherished programme of some unknown extremist.

"The combination of the two has resulted in a distasteful attempt, for political reasons, at the juridical extension of the Monroe Doctrine in which the apparatus of justice forms the new big stick.

"This politically bankrupt, constitutionally questionable, and diplomatically hideous initiative is without precedent in peace time and provides further evidence of the vulnerability of small Caribbean states when scapegoats are sought for one's ability to deal with a domestic issue such as drugs."

Antiguan Prime Minister V.C. Bird called on the Canadian and American governments to treat their respective preferential trading arrangements with the Caribbean much like the European Community handles the Lome Convention—that is to negotiate with the beneficiary countries.

Canada's Caribcan and America's Caribbean Basin Initiative (CBI)—both take-it-or-leave-it packages—offer duty-free entry in both countries for most of the regions exports.

"I would be disappointed if our friends in Canada and the U.S. rejected such suggestions," said the 77-year-old Antiguan leader.

He added that both the Americans and Canadians were aware that some countries in the region were unhappy with the preferential trading arrangements offered by Caribcan and CBI.

Bird suggested that in future Caricom appoint a single expert team, headed by a minister, to negotiate such agreements, as well as present the region's case in fora like the General Agreement on Tariffs and Trade (GATT) and the United Nations Conference on Trade and Development (UNCTAD).

Declared the veteran Antiguan leader: "We must resolve that future negotiations over the CBI and Caribcan should form similar lines to the negotiations with the EEC. In other words the Caribbean as a whole must field a single team which is properly prepared with good technical argument to negotiate for us collectively."

Compton reminded his colleagues that "the Caribbean is looking and listening to...see whether this meeting is merely a part of the annual ritual where the leaders meet and perform that ritual dance as if dancing the twist, producing a great deal of progress without any visible progress." [sentence as received]

In the 12 months since the St. Lucia summit, he said, the superpowers had eased tensions and cold war postures have been abandoned, yet "we in the Caribbean spend a lot of time trying to erect barriers against each other trying to protect an ever-shrinking cake instead of finding ways of increasing the cake so that every one of us will get a larger slice."

"We cannot continue to swim against the tide of international cooperation nor can we progress by erecting barriers against each other," said Compton.

He called for a large-scale restructuring of the educational system in the region to create the scientific environment for our development.

"We cannot continue to be mendicants looking for crumbs of a larger sugar quota which can be varied up or down at a whim without a thought of the economic and social impact on the countries affected and be offered as compensation food aid instead.

"We must now prepare our people to earn their own way in this 21st [as received] century."

Finance Ministers End Talks, View Export Bank
FL0407192488 Bridgetown CANA in English
1850 GMT 4 Jul 88

[By Sandra Baptiste]

[Text] St John's, Antigua, July 4, CANA—The Caribbean Export Bank which Caribbean Community (Caricom) governments have been seeking to establish is now likely to be set up under the aegis of the Caribbean Development Bank [CDB] rather than as a separate institution, according to Prime Minister John Compton of St. Lucia. "We have agreed to look at the bank again but to consider it not as a bank but as a separate window of the CDB or a subsidiary," Compton told CANA following a three-hour Caricom finance ministers meeting.

The proposed facility to provide pre- and post-shipment financing for regional exporters and other trade and investment financing is to be further studied by the CDB and the Georgetown-based Caricom Secretariat.

Compton said the general feeling was that the region should proceed with its own funding rather than await resources from external donors who have been reluctant so far to make funds available for the project. In addition, a study of the feasibility of the project cast doubts on the viability of a separate institution. "I am disappointed that the report has been so negative. I believe really the message to the Caribbean now is that these things are a matter of our responsibility and we have to do what we can do whether external agencies come to our assistance or not," Compton said. Prior to coming here, the St. Lucian leader said he was hoping a new target date of January 1, 1989 could be set for establishing the bank.

The bank was targeted by heads of government a year ago to be launched in January this year with initial equity of U.S. 17 million dollars from regional governments, the CDB and the private sector which was being asked to put up U.S. 3 million dollars. However, executive director of the Barbados-based Caribbean Association of Industry and Commerce [CAIC], Pat Thompson, told the finance ministers that as a separate legal entity the bank was unlikely to attract private sector funding, conference sources said. The region's private sector, Thompson said, was in favour of the facilities which the

bank would provide but preferred to see it as a subsidiary of the CDB so as to ensure a separate board from the bank and more speedy decision-making.

The Caricom finance ministers also discussed the question of resuscitating the Caricom Multilateral Clearing Facility [CMCF], the payments clearing facility for intra-regional trade which collapsed in 1983. The facility collapsed under the weight of Guyana's indebtedness. Guyana is still indebted to Barbados to the tune of U.S. 57.6 million dollars. The finance ministers agreed to wait until foreign exchange starved Guyana has worked out an arrangement with the International Monetary Fund (IMF) before giving further consideration to restarting the CMCF. The CAIC has been urging regional governments to revive the CMCF but with amendments to avoid the problems which led to its collapse.

The decisions from the finance ministers meeting will be discussed by the heads of government at their first working session on Tuesday, along with a review of plans to bring on stream a Caricom Enterprise Regime (CER). Ten countries have so far signed the CER which is designed to facilitate the movement of capital, skills and materials for regional joint ventures. Four countries are required to ratify the CER to bring it into force and two—Guyana and St. Kitts and Nevis—have already done so. Belize and Montserrat are still to sign the CER agreement.

The finance ministers also discussed a presentation from the Barbados-based Caribbean Tourism Research and Development Centre [CTRC] on a sophisticated regional tourism marketing and advertising campaign in the U.S. CTRC said such a campaign would seek to sell the Caribbean region as a holiday destination against all other competing destinations and should supplement the individual campaigns of larger states while also putting smaller and lesser developed countries on the map. "The envisaged advertising campaign will aim to raise hotel occupancy rates in the summer months to the level now enjoyed by most destinations in the winter months, thereby reducing the incidence of seasonal unemployment in the Caribbean tourism industry," CTRC said in its presentation made available to CANA. The marketing programme, a CTRC official told the ministers, should be financially self-sustaining without being a drain on the national coffers or dependent on aid flows. CTRC said proposals for raising, collecting and administering funds for the project on an annual basis required both the "blessing and approval" of the finance ministers. The project was developed with funding from the United States Agency for International Development (USAID).

Inter-Caribbean Affairs

CANA Chairman on Services, Advisory Board
FL0407210088 Bridgetown CANA in English
2240 GMT 25 Jun 88

[Text] Bridgetown, Barbados, June 25, CANA—The Barbados-based CARIBBEAN NEWS AGENCY (CANA) announced on Saturday that an advisory board

is being established in conjunction with the Caribbean Broadcasting Union (CBU) to oversee the future development of CANA's radio services.

"We have also at CANA recognised in the Caribbean very frequently the large number of organisations seeking to do the same thing", CANA Chairman Oliver Clarke told a luncheon which followed the agency's annual board of directors meeting. The advisory board, he said, would be responsible for monitoring the development of CANA radio and is aimed at ensuring that the broadcast media in the region have as much input as possible into the future development of CANA radio.

"We see this as another gesture from CANA to try to work together with another very important regional institution in the area of trying to improve regional communications". Clarke said the agency had "struggled along" over the last year and reported that the agency was operating amidst a "precarious financial condition". "Whilst it was never intended to generate sufficient income so that it could fund its development and be strong and healthy," Clarke said CANA had grown and was able to maintain its operations through the assistance of the United Nations Educational Scientific and Cultural Organisation (UNESCO) and the Federal Republic of Germany which had financed the agency's capital development from its inception. CANA recorded a profit of BDS\$55,196 dollars in 1987, according to the directors report. Gross revenue totalled BDS\$2.1 million dollars, an increase of 4.6 percent over 1986 while expenditure amounted to BDS\$2.1 million. [figures as received] The report said the satisfactory results for 1987 were due "in large measure" to the continued financial support of UNESCO and the West German government. Their support which totalled 290,816 dollars [currency not specified] was used largely to acquire fixed assets. Clarke said CANA was "very fortunate" to be based in Barbados which he described as the most stable and democratic country in the region. He also said the company regretted the loss of the head of its radio service, Hugh Croskill, but added that he was pleased that the Caribbean was now training journalists for the more developed parts of the world. Croskill has taken up a post at the British Broadcasting Corporation (BBC) in London with its new service to the Caribbean.

The chairman and managing director of Jamaica's GLEANER newspaper drew attention to what he said would be "the largest explosion ever" of new media in Jamaica as a result of divestment plans by the government. He said there will effectively be six new media operations—four radio stations, one television station and a newspaper—in a short period of time.

Clarke said this was "a very healthy thing" which should be followed by other countries in the Caribbean. "I think particularly in the electronic area—radio and television. There has been a great deal of restraint shown in terms of allowing new media to develop," he said. "The result of

that, of course, is that there are more and more satellites and cable systems which don't have the extensive local programming that we should have," he added.

Bahamas

Attorney General Recovering From Heart Surgery
FL0507220888 Bridgetown CANA in English
2140 GMT 5 Jul 88

[Text] Nassau, Bahamas, July 5, CANA—The Bahamas Attorney-General Paul Adderley is "recovering normally" after undergoing heart surgery at a United States hospital last Thursday, a government statement said. The statement issued by the Cabinet Office said Adderley, also education minister, was looking and feeling well "and is in good spirits."

Adderley was flown to Florida early last week after complaining of severe pains while playing golf two Sundays ago. Tests run by doctors at the Miami Heart Institute found there was a blockage in his coronary artery.

Adderley is expected to resume duties by early August.

Grenada

Future of Only TV Station Reportedly in Doubt
FL0407212088 Bridgetown CANA in English
1650 GMT 4 Jul 88

[Text] St George's, Grenada, July 4, CANA—There are doubts over the future operations of Grenada's Discovery Television, which ceased transmissions on June 19 after officials reported that vital equipment had been damaged by lightning during a thunderstorm. The equipment was flown to Trinidad for repairs, but informed sources said technicians there were unable to repair the problem and the equipment was then sent to Miami.

In the meantime, no definite word has been forthcoming from the station's management as to when Channel 11, Grenada's lone domestic TV service, will be back on the air. Informed sources said very little equipment now remained at the station and the few items left have been transferred to a locked back room.

Uncertainty over the station's future is also being fueled by a reported disagreement between the government and David McCourt, an American who founded the non-profit Discovery Foundation which was responsible for setting up the station in the latter half of 1986. McCourt first came to Grenada in February 1986 during the visit of U.S. President Ronald Reagan, and in a recent interview, station manager Larry Upton said it was at Washington's request that McCourt undertook the project to give Grenada its own TV service.

Prime Minister Herbert Blaize had discussed problems related to the service with McCourt in Washington last May. Following that meeting, Upton issued a release

which stated that a decision had been taken to turn Discovery Television into a public company, as part of efforts to extend the service. However, Discovery officials reported shortly afterwards that there were still unresolved matters to be settled with government.

Blaize, in his weekly broadcast last Friday, said negotiations with the Discovery Foundation on unspecified new proposals were going on. He added that Cabinet had appointed a three-man committee to examine these proposals and to consider all other possible options that may be in the best interest of Grenadians in the matter of television broadcasts. The committee is to report by the end of July when a decision will be made, he said.

Haiti

Demonstration in Support of Namphy Planned

FL0507154388 Port-au-Prince Radio Nationale
in Creole 1300 GMT 5 Jul 88

[Excerpt] A press release from the communal administration of Kenscoff announces that the population of the five rural sections has gotten together with Kenscoff city hall to invite the written and oral media and television to a demonstration of support to be held on 16 July. The purpose of the demonstration is to express the population's patriotic attachment to and support for Lieutenant General Henri Namphy, commander in chief of the Haitian Armed Forces and president of the military government. [passage omitted]

More on Demonstrations

FL0507212988 Port-au-Prince Radio Metropole
in French 1600 GMT 5 Jul 88

[Text] At a time when ever-more-persistent rumors regarding the poor health of the president of the military government are circulating, our correspondents are reporting that civilian and military authorities are organizing demonstrations in support of the military government.

Many people gathered in the central plateau last Saturday to demonstrate in support of Gen Henri Namphy. The same thing happened in Petite Riviere de l'Artibonite.

Trinidad and Tobago

NAR To Study Charges of Discrimination by IMF

FL0407211288 Bridgetown CANA in English
1346 GMT 27 Jun 88

[Excerpt] Port-of-Spain, Trinidad, June 27, CANA—Following a series of accusations that the International Monetary Fund (IMF) was discriminating against Trinidad and Tobago, the ruling National Alliance for Reconstruction (NAR) has decided to set up a high-level committee to look at the Washington-based institution, party insiders said. The decision was taken by the NAR's parliamentary arm which met Saturday in south Trinidad. The meeting mandated political leader, Prime Minister A.N.R. Robinson, to set up the committee which will compile a report on the IMF.

The IMF, from which Trinidad and Tobago is seeking economic assistance, has been the subject of sharp criticism by Grenadian-born former IMF economist Davison Budhoo, who was here last week. Budhoo presented figures to show that Fund officials had changed data on the Trinidad economy following visits here.

I only hope, when the report is presented, it will guide us as to what steps we will have to take in whatever circumstances we feel Trinidad is going, Robinson told a Sunday party meeting. Certainly, you as a people and a nation, you would know what you are required to know when the findings of that report are presented. Robinson also told the meeting in central Trinidad that he planned to expose attempts by outside forces which he said were interfering in Trinidad and Tobago's internal affairs. [passage omitted]

Third Inquiry Into Army Camp Explosion Begins

FL0407213888 Bridgetown CANA in English
1637 GMT 4 Jul 88

[Text] Port-of-Spain, Trinidad, July 4, CANA—A third enquiry into the April 26 explosion at a northwest Trinidad Army camp which killed six servicemen got underway here on Monday—this time in public.

The new three-man commission follows two other closed-door probes into the explosion at the Omega Army camp two months ago. An initial internal enquiry was followed by one organised by the government.

A number of officers who were at the scene on the day related what had happened when the commission began its public hearings. One officer related that there had been three fires taking place at the same time on the hill in the Omega Valley. Fire officers had been called out to help the soldiers sited in the valley. As the fire around the bunker seemed to go out, smoke appeared from the bunker housing the ammunitions and the building exploded, flattening the entire hillside, devastating all but one building and killing six men.

Salinas Condemns Murder of Cardenas Workers
PA0607000888 Mexico City XEW Television Network in Spanish 1300 GMT 5 Jul 88

[Text] PRI presidential candidate Carlos Salinas de Gortari has condemned the murder of [opposition candidate Cardenas' campaign workers] Obando and Gil Hernandez.

Salinas de Gortari asked the authorities to conduct a more expeditious investigation to clarify this regrettable incident, and he demanded severe punishment for those responsible. Salinas de Gortari said violence should be eliminated from the political struggle, adding that nothing can justify an attack against a man's life, which is his most precious possession.

Salinas de Gortari expressed his condolences to Obando's and Gil Hernandez' relatives and his solidarity with their colleagues.

Norwegian Oil Minister Holds Talks With Hiriart
FL0407223788 Mexico City NOTIMEX in Spanish 0359 GMT 1 Jul 88

[Text] Mexico City, 30 Jun (NOTIMEX)—Voicing concern over the short-term situation of the international oil market, today Mexico and Norway called on each oil-exporting country to respect the commitments it has declared itself ready to assume. Arne Oien, Norwegian minister of oil and energy, and Fernando Hiriart, Mexican secretary of energy, mines, and parastatal industry (Semip), made these statements at the end of a working meeting in this capital city.

During their talks, Hiriart and Oien examined the oil market's evolution and prospects and exchanged views on the measures each country has taken to help stabilize the market. In this connection, they expressed concern about this year's 3d quarter and stressed that discipline will be an essential factor in avoiding greater imbalance in the market.

The Norwegian minister noted that his country will continue to implement its unilateral decision to reduce its production 7.5 percent below its capacity for the remainder of the year. For his part, Hiriart confirmed that Mexico will observe its voluntary restrictions on export levels and that these levels will not exceed 1.35 million barrels a day.

The two officials pointed out the importance of direct dialogue and the exchange of views and information between their countries, both non-OPEC oil producers and exporters with responsibility for and commitment to a balanced oil market in the medium- and long-term.

Hiriart was accompanied at this working meeting by Jose Luis Alcudia, deputy secretary for energy; Adrian Lajous, Pemex foreign trade coordinator; Alfredo Elias, Semip advisers coordinator; and Aaron Dychter, director general for energy policy.

Briefs

World Bank Loans

During the past year, the World Bank approved eight loans to Mexico for an unprecedented sum of \$2.03 billion. Two of the eight loans were for transportation, one for education, two for industry, one for trade, one for agriculture, and one for housing. This is the highest amount loaned by the World Bank to a Latin American country in a 12-month period, a World Bank official reported. [Summary] [PA0107170088 Mexico City XEW Television Network in Spanish 1300 GMT 1 July 88]

Marijuana Plantation Destruction

On 29 June Judicial Federal Police agents destroyed the most extensive marijuana plantation uncovered in Mexico in the last 10 years. The marijuana plantation covered 65 hectares in Chihuahua and would have yielded more than 230 billion pesos in the drug black market. The police also destroyed some marijuana processing equipment in the same area. [Summary] [PA0307040488 Mexico City EXCELSIOR in Spanish 30 Jun 88 pp 5-A, 15-A]

Belize

Human Rights Group Says Violations Increase *FL0407214288 Bridgetown CANA in English 1745 GMT 4 Jul 88*

[Text] Belmopan, Belize, July 4, CANA—The human rights commission of Belize has voiced concern about what it says is an increasing number of human rights violations and the greater use of firearms by the security forces.

The commission, which was launched last December, mentioned 38 complaints of individual human rights violations by the security forces. Most of the complaints were against the police and related to brutality, physical and verbal abuse and wrongful arrests.

In its just-released report, the commission said: Never before in the history of Belize have we seen so many guns being openly carried by the police. Even private security guards are now sporting pistols on their hips.

The human rights watchdog also expressed concern at the recent establishment of the Security Intelligence Service (SIS), whose tasks includes handling subversion. The commission said it fears that this apparatus is an extension of the US intelligence network. It remarked that anyone can be classed as a subversive and be pressured by the authorities here.

El Salvador

Ungo on Country's 'Divisions,' Length of War *PA0207142888 Radio Cadena YSU in Spanish 0230 GMT 30 Jun 88*

[Interview with FDR President Guillermo Manuel Ungo by unidentified reporter during the "Political Impact" program in San Salvador on 30 June—recorded]

[Excerpts] [Passage omitted] [Reporter] On another matter, there has been talk in recent days of the constant divisions. The division within the Christian Democratic Party [PDC] is known. However, now there is talk of divisions within the Salvadoran Armed Forces. At the end of the month, the new Armed Forces' assignments will be disclosed. Do you think this is the result of a total collapse in the Armed Forces?

[Ungo] I do not think so. The paradox is that with the vacuum of power, the crisis in government, and political instability—due to the nonexistence of an alternative—the most stable and permanent institution is the Armed Forces. However, the paradox is that despite this, there is instability within the Armed Forces. In sum, the situation is so unstable that even the Armed Forces—which is a stable institution—is affected by the consequences of the crisis of government and power. [passage omitted]

In fact, there has been talk of a military coup. The interesting thing is that it has not been us, centrist or leftist civilians, who have talked about it. Instead, the right-wing sectors and top officers have talked about the possibility of a coup. Let us wait and see. We are noticing that the components or instruments of the anti-insurgency strategy are boomeranging. They are becoming a two-edged sword that is now hurting the participants in the anti-insurgency strategy.

Elections have become a problem for the PDC, although the candidates do not see it that way because of their personal ambitions. The fact is that it is virtually impossible for the PDC to win the elections. The elections are becoming a growing problem for the Armed Forces, too. The Constitution is also apparently becoming a problem. We notice that some did not like the presidential succession and sought to circumvent it so a person other than the vice president would take over. [passage omitted]

[Reporter] If there is no national consensus, how long would the Armed Forces be able to hold their own and keep up the struggle against the FMLN? It is known that the guerrillas have a lot of hand-made weapons. General Bustillo acknowledged that by saying that they [the FMLN] could have greater staying power than the Nicaraguan contras.

[Ungo] About 2 or 3 years ago, I thought the U.S. Pentagon, the State Department, as well as the top command of the Salvadoran Armed Forces, had imagined that the war would be long. The FMLN had guessed that. I remember an FMLN communique saying the war had been going on for many years with many more years to come. This means 6 or 7 more years. I do not think that is right. I think the FMLN and ARENA [Nationalist Republican Alliance] agree on a very small and objective point. No one wants a long war. ARENA questions the low-intensity war because it regards it as a deliberate prolonging of the war. They are right. They criticize the prolonging of the war. They want a relatively swift end.

I think the FMLN does also. That is why it promotes a political solution. In this regard, I would say that predicting is very difficult, because all of us have erred in predicting how long the conflict would last. [passage omitted]

[Reporter] To conclude our interview, I would like you to summarize everything that you think is going to happen.

[Ungo] I have often made predictions in terms of trends. At a domestic and regional level, as well as at an international level, especially with regards to the United States, there are negative factors working against a political and democratic solution that is based on respect for human rights and so forth. However, there have been, and continue to be, positive factors and elements—with greater vitality now than before. They are developing at a greater rate. These factors include the crisis, which shows the need for a solution. At a domestic, regional, and international level, these will prevail over negative

factors. [passage omitted] In the next weeks and months, until the presidential elections, we will experience very interesting moments. At that time, we, the Democratic Merger, will have a greater role and greater importance, influence, presence, and decisionmaking power. This is positive for us and for the people.

Rebel Sabotage, Strike Cause Power Outages
*PA0207225588 Paris AFP in Spanish 2037 GMT
2 Jul 88*

[Text] San Salvador, 2 Jul (AFP)—For the 3d consecutive day, seven Salvadoran departments, including the capital, remained without electric power because of guerrilla sabotage and a workers strike at the Lempa River Hydroelectric Executive Commission (CEL), it has been officially reported.

Power supply problems worsened on Thursday when guerrillas blew up power towers bearing six 115,000-volt lines.

The sources said nearly half of the national territory is without power, which the CEL is trying to restore by importing electricity from Guatemala and by repairing the damage caused by the guerrilla sabotage.

Some 2,000 CEL workers have been on strike for the past 3 weeks, demanding higher wages and the release of seven labor leaders, who were arrested recently for their participation in the strike.

General Abdul Gutierrez, president of the CEL, said he would not negotiate with the strikers because their labor union lacked legal status.

Official reports estimate that leftist guerrilla sabotage has accounted for \$52.5 million in damage to the electric power infrastructure in the country since 1980.

Rosa Chavez on Situation
*PA0407010688 Hamburg DPA in Spanish 1759 GMT
3 Jul 88*

[Text] San Salvador, 3 Jul (DPA)—Today San Salvador Auxiliary Bishop Msgr Gregorio Rosa Chavez criticized the sabotage of the country's electric facilities. The sabotage has caused power and water outages for up to a day.

Since Friday San Salvador residents have been subjected to energy rationing, which has resulted in costly losses to commerce, industry, and the economy in general. The sabotage has affected cities and towns in the central and outlying areas. A solution to the problem is not in sight since the problem has been aggravated by a strike at the Lempa River Hydroelectric Executive Commission, CEL, an autonomous agency that handles energy production.

Commenting on the situation, this morning the auxiliary bishop cited Archbishop Arturo Rivera y Damas, who said: "El Salvador is a country torn apart, as shown this week by the sabotage to the electric system." Msgr Rosa Chavez

stated that "those long blackouts tell us that there are many hearts living in darkness too because despair rules them." Rosa Chavez criticized the CEL strike, noting that "the church's doctrine teaches that it is not right for workers to leave the people without essential services like water, electricity, and telephone service."

He also referred to management's part, however. Referring to the massive dismissals that were announced last night in response to the strike, he said that the church also "teaches us to listen to the workers' fair demands."

On another matter, today the auxiliary bishop said that in an effort to contribute to the effort to "restore this country's social fiber, the Catholic Church has sponsored a national debate on peace to find a way or a common mechanism for peace."

The debate is not going to make decisions, as many believe, and try to criticize the church. The debate is for consultations, but it is valid because it seeks to learn what the social forces want," [quotation mark as received] Rosa Chavez said.

He announced that there have been 10 requests to participate in the debate. Registration will end on 5 July.

U.S. Downing of Iranian Plane Condemned
*PA0607023188 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 5 Jul 88*

[Station commentary: "Imperialist Policy and the Iranian Plane Tragedy"]

[Text] At least 290 people died in the crash of an Iran Air civilian aircraft when it was hit by two surface-to-air missiles fired by the U.S. cruiser "Vincennes" in the Strait of Hormuz. The action occurred on Sunday, and it was reported that there were no survivors. The passengers were mostly Iranian and included approximately 90 children. As soon as the tragedy was made known, many governments expressed their dismay and called for a thorough investigation.

This tragedy, which left 290 people dead—people who were totally uninvolved in the conflict—is not completely unexpected. Since the United States increased its military presence in the Persian Gulf in the beginning of 1987, the situation has turned increasingly more tense. An increase in all types of sophisticated armaments gradually [words indistinct] civilian air and maritime traffic in the region.

Since 1980, Iran and Iraq have been waging a bloody war based on a complex series of political, economic, and religious causes. The war has claimed thousands of casualties from both nations, has destroyed cities, and has caused millions of dollars in losses.

From the beginning of the conflict, the United Nations, supported by several governments, including the Soviet Union, has been working hard to find a peaceful solution to the war. Meanwhile, the U.S. Government has greatly contributed to an increase in tension. Using the pretext of safeguarding its interests, the United States has sent to the Persian Gulf, which is part of the site of the Iran-Iraq battles, many cruisers, aircraft carriers, and all types of warships, helicopters, and combat planes. As if that were not enough, the United States is the main supplier of arms to the warring nations in the Persian Gulf.

Bearing in mind the frictions between the Iranian and U.S. Governments, the U.S. military presence is like a match near a powder keg. The United States is obviously not seeking peace but the achievement of hegemony by force in that area of the world. The Americans do not care about human lives but about the development of their warmongering policies.

That is what occurred with a South Korean airplane in 1986 when, in a CIA operation, they changed the route of a civilian plane to try to obtain information about the Soviet defense system. On that occasion, more than 200 people died and the CIA used the tragedy as the basis for an immoral slander campaign against the Soviet Union. In 1987, the U.S. ship "Stark" was hit by an air-to-surface missile from an Iraqi fighter bomber. On that occasion, 17 U.S. sailors were killed.

The most recent tragedy is much greater because 290 civilians died as a result of U.S. interference. What are the Americans doing in that region so far away from U.S. territory? Who invited them? If Americans do not want to make efforts to achieve peace in the world, that is fine; but they should not contribute to the intensification of war. There have already been many dead in Vietnam, Korea, Africa, Central America, and the Middle East. It is time for the United States to put a stop to long and shameless military interventions in other countries. It is time for the Americans to abandon their imperialist policies. The world cannot continue to be a victim of an irresponsible, adventurous, and predatory policy. U.S. gentlemen: For peace in the world, leave the world alone!

Guatemala

Cerezo Denies Cabinet Change Possibilities
PA0107131688 Guatemala City Teleonce Television
in Spanish 1230 GMT 30 Jun 88

[Passages within quotation marks recorded]

[Excerpts] Regardless of the displeasure expressed by many sectors over recent government economic decisions, President Vinicio Cerezo ruled out the possibility of replacing current Economy Minister Elizardo Sosa Lopez.

[Cerezo] "I do not think there will be a change at the Economy Ministry. We are analyzing the various policies, because economic policy decisions are not made individually, but [words indistinct]."

President Cerezo stated it is premature [words indistinct] concerning the appointment of current Government Minister Juan Jose Rodil Peralta as Guatemalan foreign minister. [passage omitted]

[Cerezo] "It is still too early to talk about that. It has been said that [words indistinct] is part of the work team [words indistinct] but the current foreign minister is Mr Cabrera, who is also the secretary general of the Christian Democratic Party. It is still too early to make other decisions."

Cerezo also commented on statements by members of certain sectors, who said the changes in Cerezo's cabinet imply a condescending attitude toward the Army.

[Cerezo] "No, that is not true, it is completely false. The Defense Ministry like all others ministries is [words indistinct], but there were no [words indistinct] for the national security with the appointment of new officials." [passage omitted]

President Cerezo said that in 2 weeks new arms for the Army will be arriving in Guatemala as scheduled.

[Cerezo] "In 1987, we achieved an important level of defense. That achievement includes modernization of military equipment, which has been taking place for the last 2 years. For the last 2 years, we have been receiving parts for planes, [words indistinct] and for [words indistinct] helicopters. We have been making progress for 1 and 1/2 years.

"We are also completing negotiations to [words indistinct] for the new rifles the Army will be using. It is a more modern type of rifle, which will allow the Army to fulfill its responsibility in a better way. That, however, is not a gift from the president to the Army officers." [passage omitted]

Cerezo, Gramajo Make Army Day Statements
PA0107174188 Buenos Aires REUTER in Spanish
0601 GMT 1 Jul 88

[Text] Guatemala City, 30 Jun (REUTER)—Today during Army Day ceremonies President Vinicio Cerezo said that he has confidence in the Army.

For his part, Defense Minister General Hector Alejandro Gramajo sent serious messages to the guerrillas and radical sectors.

Gramajo told subversive terrorist groups: "We must tell you that for the good of the people and our society, it would be best for you to give up the obsolete method of using war to seize power."

"Have the valor and the courage to try to participate within a framework of legality by means of the ballot," the officer said.

The minister added that it is appropriate to advise radical and conservative groups "to get rid of the conceptual cobwebs that keep them from upgrading their political thinking in line with the normal evolution of civilized societies, in which violence is not answered with violence, but with justice."

Military power will be used "solely on behalf of the supreme interests of the state, in support of legally established institutions and as a stabilizing force in the search for the development and progress of the country as a whole," the minister said.

Officer Suspended for Coup Attempt Role
PA0507134388 Guatemala City EL GRAFICO
in Spanish 2 Jul 88 p 6

[Excerpts] The fourth officer suspended for the coup attempt staged on 11 May is Colonel Pedro Vidal Cifuentes Diaz, who was the second in command at the Chiquimula military base on the day of the incident.

Yesterday military circles confirmed that Col Cifuentes Diaz was suspended from his duties as a Guatemalan Army officer for 1 year for "not taking pertinent administrative measures when he was in charge of his office."

Following the 11 May incident, Col Cifuentes Diaz was sent from his post as second in command at Chiquimula to an administrative post in the Army's Adjutant's Office.

However, the order issued on 30 June, "Army Day," states that he was suspended from his duties as a military officer for 1 year. [passage omitted]

With Col Cifuentes Diaz' suspension, the number of officers in a similar situation rose to four. Air Force Lieutenant Colonel Eduardo Roberto Mazariegos and First Captain Elmer Anibal Aguilar Moreno were also suspended for 1 year. First Infantry Captain Ronaldo Cecilio Leiva. [sentence as published]

Shultz Trip, U.S. Policy, Cerezo Stand Viewed
PA0207162888 Guatemala City EL GRAFICO
in Spanish 30 Jun 88 p 9

[Editorial: "Shultz Attempts 'To Tie Loose Ends'"]

[Excerpt] U.S. Secretary of State George Shultz arrived in Guatemala yesterday. His visit to our country is the first stop on a tour that will take him to all the Isthmian nations except Nicaragua. In the past few months President Reagan's Central American policy has been harshly criticized by Democrats as well as a few Republicans. Criticism has been especially harsh in this election year (and more so a few months before the elections) as the Central American crisis and "contra" aid are subjects

that are viewed as part of the "Irangate" issue. The "Irangate" issue will be prominent during the U.S. presidential campaign, especially because the Sandinists have proven to be great negotiators who have managed to maintain a solid position until the U.S. elections. The Sandinists hope another Carter will win the U.S. Presidency. This will enable them to definitely consolidate their Marxist-Leninist position. [Nicaraguan President Daniel] Ortega has just ratified the Sandinist's Marxist-Leninist position to Fidel Castro in Havana.

Because of these events, Shultz will undoubtedly try to "convince" the Central American presidents of the following: first, of the United States' unconditional friendship with the Central American countries and of its support for democracy in the region; and second, that it is necessary to exert more pressure on the Sandinists so they will renew peace talks with the "contras" and make bigger and more effective democratic concessions to the Nicaraguan opposition. Obviously, Shultz's position this time is clearly disadvantageous because he cannot play the card of maintaining an armed struggle against the Sandinists because the U.S. Congress has already stated that it will not authorize further aid for the anti-Sandinist rebels. If the Reagan administration asks Congress for such aid it would be a political defeat for President Reagan. It would mark the Republican policy as being "warmongering," and it could also mean a defeat at the polls.

It is precisely for this reason that Shultz has hurried to explain that his visit is "a trip in support of peace and democracy and not a trip to help the 'contras.'" The fact that he excluded Nicaragua from his tour shows that Washington is not willing to make concessions to the Sandinists. The United States maintains its position of not holding bilateral talks with the Sandinists. Thus, it appears to be the most natural ally of regional negotiations. The United States can hold this position because its unconditional allies, Honduras and El Salvador, will not allow any plan that goes against U.S. interests in the region to be approved. Also, the recent 11 May events in Guatemala have convinced President Cerezo that he must "simmer down." Without a doubt, Cerezo will change the arrogant position held by his government against the United States and its policy in the region. Cerezo's attitude will be "softer" and "more prone" to accept a neutrality that favors democratically-elected governments for all countries in the region. His government will probably go against the thesis it held in the past: "We can coexist with a Marxist nation in the neighborhood." [passage omitted]

Honduras

Azcona on Shultz Aid Promise, Antidrug Efforts
PA0107154188 Tegucigalpa Cadena Audio Video
in Spanish 1156 GMT 1 Jul 88

[Report by Danilo Antunez]

[Excerpts] Yesterday U.S. Secretary of State George Shultz' 4-hour visit ended with the signing of two agreements. In the first agreement, Honduras received a \$57.2-million donation for the health sector. However, the United States

benefits from the second agreement because it will be allowed to install radars in Honduras to control drug trafficking by air. President Jose Azcona thanked Shultz for the donation and reiterated Honduras' commitment to fight drug trafficking. [passage omitted]

Regarding the cooperation Honduras will provide to the United States in the struggle against drug trafficking, President Azcona said:

[Begin Azcona recording] I want to reaffirm that we are willing to provide all possible cooperation in this struggle, particularly in matters regarding vigilance so that our territory, airspace, and our oceans will not be used by international or local criminal drug traffickers to send drugs to your country. To conclude, I hope that your brief visit to our country has been a pleasant one. I also hope that we have conveyed to you the message that the Honduran people are friends of your people and that the your government is a government not only respected but loved in Honduras. [end recording]

Foreign Minister: Nicaragua 'Threat' to C.A.
PA0107165388 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 1 Jul 88

[Speech by Foreign Minister Carlos Lopez Contreras at luncheon meeting with Secretary of State George Shultz on 30 June; place not given—recorded]

[Excerpts] Your visit to the democratic nations of Central America is very significant. Honduras has informed the entire world [words indistinct] of the threat the Nicaraguan Government's uncontrolled arms race poses for the region's democracies and of the militarization of Nicaraguan society to ensure the party-government-Sandinist Army's domination.

Long before Esquipulas II, Honduras urged the Nicaraguan Government to hold internal talks to achieve democratization and national reconciliation and to break off its political-military relations with the Soviet bloc. As long as the current political-military situation in Central America prevails, the Honduran Government will maintain and strengthen the special security agreement shared by our states, which is based upon the principles of dignity and mutual respect. [passage omitted]

Honduras' policy is to stay out of neighboring nations' conflicts. Nevertheless, the persistence of those conflicts, Honduras' central position, and its three borders have resulted in incalculable damage to its economy, investments, social and ecological balance, and security. I know the path of democracy is full of sacrifice, but under special circumstances, like the ones Honduras is experiencing, fair, timely, and available economic aid should not be unjustifiably delayed. This feeling is shared by all sectors in Honduras.

Nicaragua

Communique on Extension of Cease-Fire, Talks
PA0207020888 Managua BARRICADA in Spanish 1 Jul 88 p 4

[Communique issued by the Information and Press Directorate of the Presidency in Managua on 30 June]

[Text] The Information and Press Directorate of the Presidency reports to Nicaragua and the world that 30 June is the expiration date of the Nicaraguan Government's unilateral extension of the suspension of offensive military operations. Bearing in mind the negotiating process agreed upon in Sapoia to achieve a permanent cease-fire, the Nicaraguan Government has decided to again extend this suspension for 30 days, up to 31 July 1988.

At the same time, the Nicaraguan Government confirms the full validity of the Sapoia agreement and of the Verification Commission created within the framework of that agreement, which comprises Cardinal Miguel Obando y Bravo, president of the Nicaraguan Episcopal Conference, and OAS Secretary General Joao Clemente Baena Soares.

The Nicaraguan Government formally requests of Joao Clemente Baena Soares that the Sapoia agreement's Verification Commission begin on-site verification of reports of violations of the suspension of offensive military operations. This falls within the framework of and within what is established in the Sapoia agreement's point nine, paragraph two, which states:

"The technical assistance and the services needed by this commission, which will permit and expedite the fulfillment, follow-up, and verification of this agreement, will be requested by and entrusted to the OAS secretary general."

To continue the peace efforts and negotiations and because its previous proposals were not accepted, the Nicaraguan Government proposes to the counterrevolutionary Directorate the holding of a high-level meeting in Managua on 26-29 July. At the same time, it expresses its willingness to hold the preparatory meetings that might be necessary to guarantee the holding of the high-level meeting.

The Nicaraguan Government also states that it is willing to have the Pan-American Development Foundation be the neutral organization in charge of delivering humanitarian aid to the counterrevolutionary forces in Nicaraguan territory until an agreement for the implementation of a permanent cease-fire is achieved.

The Nicaraguan Government again demands that the counterrevolutionaries release all the individuals they have kidnapped and that they immediately fulfill their commitment to free 66 of those they are holding, a promise they made in the presence of the members of the Sapoia agreement's Verification Commission. At the same time, it reiterates its demand that the counterrevolutionaries permit the International Red Cross or the

Sapoa agreement's Verification Commission to confirm the number and identification of the kidnapped individuals being held in their camps and bases.

Issued in Managua on 30 June 1988
For a Dignified Peace:
"Free Fatherland or Death"
Information and Press Directorate

Obando y Bravo Comments on Talks, Cease-Fire
PA0207024488 Managua Radio Noticias in Spanish
1200 GMT 1 Jul 88

[Interview with Cardinal Miguel Obando y Bravo by unidentified reporter; date and place not given—live or recorded]

[Excerpts] [Obando] As you just said, the Verification Commission—that is, Dr Baena Soares and I—are urging the Nicaraguan Government and the National Resistance [RN] to make an effort to see if it is still possible to resolve the problems affecting us through negotiations.

They have [words indistinct]. In the letter we acknowledge there are difficulties, but it is necessary to make an effort to see if it is possible to overcome these difficulties.

[Reporter] Is there a consensus between the views of the witnesses to the talks and those of the Nicaraguan bishops, who asked in the pastoral letter 2 days ago that the two parties return to negotiations and dialogue?

[Obando] There is a consensus in the sense that the Nicaraguan church also insists on resolving the problem through negotiations [words indistinct]. The letter also deals with various issues such as the economy, the family, youths, and other topics. [passage omitted]

[Reporter] Cardinal, going back to the subject of war, the government and the RN have said they will not break the truce. The government has extended the unilateral cease-fire for another month, and the RN has reiterated that they will respect the cease-fire. There are reports, however, saying more rebel troops are coming back into the country. The government has issued a statement saying it is ready for combat. Although the truce continues, this looks like dynamite that needs just a little spark to explode. Do you fear this truce could be broken because it is too fragile?

[Obando] The RN has said in some of the faxed messages it has sent here—although some of them have not been received or are illegible, as the last ones were—that it will not take the first step. The RN will not resume offensive activities. The government has declared an additional 30-day truce. Notwithstanding this, I agree with you, because according to news reports, the Nicaraguan Government and the RN seem to be taking steps to resume offensive operations. This would be regrettable because it would mean more bloodshed for Nicaraguan youths and peasants, which obviously affects the fatherland. This would be regrettable.

There is a truce declared by the government, and the RN has insisted they will not take the first step to continue the war. However, [words indistinct] I urge the Nicaraguan Government and the RN to show maturity and to try to make wise decisions to see if it is feasible to end this bloodshed for good.

Demands Talks Resumption

PA0607001288 Paris AFP in Spanish 2143 GMT
4 Jul 88

[Text] Managua, 4 Jul (AFP)—Nicaraguan Cardinal Miguel Obando y Bravo asked the government and the Nicaraguan Resistance (RN) to resume negotiations and to make well-considered decisions to end the war in Nicaragua.

During the homily Cardinal Obando y Bravo delivered at a mass in a local church today, he urged the two sides to "exchange war tanks for tractors with which to plow the land" to produce food for the Nicaraguan people.

Cardinal Obando y Bravo vehemently demanded that the government and contras resume negotiations, suspended since 9 June. Obando y Bravo said that negotiations must be resumed to seek "not personal interests, but the interests of the people, because Nicaraguans are downtrodden and overwhelmed with suffering."

Obando y Bravo made reference to the pastoral letter released by the Episcopal Conference last week, which discusses the country's economic crisis and blames the government for it.

Although Obando y Bravo painted a gloomy picture of the country, he said that people must not give in to despair.

RN Spokesman on Cease-Fire, Ortega Remarks

PA0107194688 Managua Radio Catolica in Spanish
1300 GMT 1 Jul 88

[Interview with Nicaraguan Resistance spokesman Bosco Matamoros by unidentified reporter; date and place not given—recorded]

[Excerpts] [Reporter] The Managua government has announced, through President Daniel Ortega, that the truce that has been in effect in Nicaragua since mid-April has been extended for another 30 days. What do you, as the Nicaraguan Resistance spokesman, think about this?

[Matamoros] The announcement made by Daniel Ortega is not surprising considering that it is obvious that so far the Sandinist Front has had neither the political will nor the ability to comply with the Esquipulas or Sapoa agreements. They are trying to hide from the people of the world their lack of political will. [passage omitted]

The truth is that this cease-fire must be accompanied by a general amnesty and a political dialogue so there is democratization in Nicaragua. This is something the Sandinists refuse to comply with. They have been talking

to avoid compliance. They have been talking to gain time and to obviate the main problem in Nicaragua: lack of liberty. [passage omitted]

We must not confuse Sandinist propaganda with facts. The Sandinist Front has not stopped receiving military aid from the Soviet Union. If it is getting ready for peace, why does it not use these resources for economic and social development programs? They have been receiving \$40 million a month in lethal aid—that is, arms and ammunition—from Cuba. The Resistance has not received any military aid recently. We have had difficulty supplying our forces and some of them had to withdraw from their operations area to be supplied. Mr Ortega is trying to hide his terrorist policy aimed at annihilating the Resistance by making dramatic charges. This is a characteristic method of the Ortega brothers and of their Cuban counterparts, the Castro brothers.

[Reporter] Mr Bosco Matamoras, perhaps you can comment on the proposal for a new meeting, which I understand cannot take place without the presence of President Daniel Ortega, that was made by Ortega himself. Ortega proposed that the meeting take place on 30 July, only 7 days prior to the meeting that the chiefs of state who signed the Esquipulas II agreement will be holding. What can you say in this regard?

[Matamoras] We have to study the political situation in Nicaragua before we can give an answer. We have been acting in good faith and with the political will to find a negotiated solution to the Nicaraguan problem. We have seen that so far the Nicaraguans have been fooled by the Sandinists. We cannot play this kind of game. Whenever there are meetings during which the Sandinist regime is probably put under pressure, Mr Ortega comes and makes this kind of announcement. We must make a distinction between two situations: theatrical charges made for consumption abroad, and the real situation in Nicaragua. Mr Ortega must create democratic conditions in Nicaragua and not just cosmetic measures. [passage omitted]

[Reporter] There are plans for a meeting in Central America between the Nicaraguan Resistance Directorate and Secretary of State George Shultz. We also understand President Reagan remains in contact with congressmen drafting a bill for more aid for the Nicaraguan Resistance. What can you tell us regarding these two points?

[Matamoras] The position of the Resistance is based on a relative balance. In the political and military situation that exists in Nicaragua, we have seen that so far it is only the Resistance who has been the object of all sorts of restrictions while the Sandinist Front continues its arms buildup program.

Government Says Shultz Remarks 'Disrespectful'
PA0207032188 Managua Domestic Service in Spanish
0106 GMT 2 Jul 88

[Statement issued by the Information and Press Directorate of the Presidency in Managua on 1 July]

[Text] The constitutional Nicaraguan Government issues a vigorous call to the U.S. Government over the disrespectful and improper statements made in Costa Rica today by Secretary of State George Shultz, who has attributed to himself functions that no one has given him for verifying compliance with the Esquipulas II agreements.

1. We must remind Mr Shultz that he is merely the spokesman of a criminal state that has been found guilty in the world's highest court of justice because of its total disrespect for the most elementary norms of civilized existence among sovereign nations. According to the court, the United States is the one that does not respect international commitments and the norms and principles that, as a UN and OAS member, it has promised to respect.

2. We do not recognize the most minimum moral authority on the part of the U.S. Government to act as judge of an agreement it has not signed. On the contrary, it is mainly responsible for the problem that the Esquipulas agreements are trying to resolve.

3. The Nicaraguan Government reminds the U.S. Government that the Central American presidents, freely and sovereignly, chose the UN and OAS secretaries general and the foreign ministers of Mexico, Venezuela, Colombia, Panama, Argentina, Brazil, Peru, and Uruguay to be responsible, along with the Central American foreign ministers, for drawing up the report on the fulfillment of the Esquipulas II agreement. This report has already been issued. It totally contradicts what, for obvious reasons, the U.S. Government is falsely stating through its secretary of state.

4. The Nicaraguan Government demands that the U.S. Government respect these Latin American officials and that it not interfere in their important verification work.

5. The respect for the governments and organizations involved in this authentic peace process should lead the United States to immediately obey the 27 June 1986 ruling of the International Court of Justice and to put an end to its interventionist policy, which is the main cause of the Central American problems. All of this falls in line with the appeal issued on repeated occasions by the Contadora and Support Groups. This appeal was stressed in the meeting they held in Tlaltelolco, Mexico, on 27 June.

The Nicaraguan Government advises the international community that the U.S. secretary of state's statements are the prelude to new warmongering actions directed and promoted by the U.S. Government that will bring more suffering to the Central American peoples.

Managua, 1 July 1988

Trip Motives Viewed

PA0107195788 *Managua Radio Noticias in Spanish*
1200 GMT 1 Jul 88

[Commentary by Luis Sanchez Sancho]

[Text] U.S. Secretary of State Shultz' visit to four of the five Central American countries has caused a great deal of speculation and expectation.

It has been said, for example, that one of Shultz' main purposes is reportedly to obtain support for the renewal of military aid to the contras, thereby making a military solution possible in Nicaragua.

It has also been speculated that with this tour, the Reagan administration is exploring the possibility of renewing contacts and direct negotiations with the Sandinist government.

In our opinion, the main goal behind Shultz' visit, which excludes Nicaragua, is first, an on-the-spot reaffirmation of U.S. support for its allies in the region, accompanied by a reiteration of the hard-line position against the Sandinist state.

However, it seems improbable that Washington will opt for a strictly military solution at this time, ruling out negotiations between the contras and the Sandinist government. The United States could not simply disregard the Esquipulas agreement, which continues to be viable, without increasing problems with the international democratic community and without risking a total failure for the Republicans in the upcoming November elections.

The speculation that Washington is even considering the possibility of negotiating directly with the Sandinist government is not convincing, either. Direct negotiations would only be feasible if there were a trade-off of respect for U.S. security interests in exchange for Washington's commitment to accept the commanders' socio-political system.

However, in the wake of the Reagan-Gorbachev summit, it is obvious that Sandinist Nicaragua does not represent a threat to U.S. security, nor will it represent such a threat in the future. If the Soviets have neither interest in nor the possibility of turning Nicaragua into a strategic base against the United States, then Washington would have no reason for negotiating this matter with the Managua regime.

Therefore, what Shultz might be seeking in this trip to Central America could be support for resuming negotiations between the contras and the Sandinists, but from a clearer position of strength. In other words, he may want to renew financing for the contras to create an imbalance, force agreements on basic political issues in the negotiations, include the internal political forces in

these negotiations, and demand guarantees that the Sandinist government will keep its promises. No other alternatives seem viable at this time.

RN's Calero Comments on Meeting With Shultz

PA0307140688 *Managua Radio Corporacion in Spanish*
0400 GMT 2 Jul 88

[Interview with Adolfo Calero Portocarrero, member of the Nicaraguan Resistance (RN) Directorate, by Rafael Mojica Obregon upon Calero's return from a Miami meeting with Secretary of State Shultz; date and place not given—recorded]

[Text] [Calero] The meeting with Secretary Shultz was quite satisfactory. We saw an enthusiastic, determined secretary who was quite pleased with his meetings with the presidents of El Salvador, Honduras, and Guatemala. The secretary made it clear that these democratic presidents of Central America share the United States' concern about the region's future. They understand Nicaragua is the only country, unfortunately, where there is a dictatorial government and where there has been a total economic and political failure; in short, a national failure. Secretary of State Shultz made it clear that he understands the need for the RN to be reinforced so it can be effective in its negotiations with the Sandinist Front. He also spoke of an aid package, a new aid package that is being discussed in the U.S. Congress, which would possibly include military aid to guarantee the fulfillment by the Sandinists of any agreement that is reached in case negotiations are held.

We have said, naturally, that we will not go to Managua for a new round of talks, because in Managua the RN delegates are treated as hostages, they are not allowed to talk to the internal opposition, and there is little that can be accomplished when instead of engaging in a dialogue the Sandinists engage in a monologue, when instead of seeking national reconciliation they hurl insults and threats. The RN is willing to meet at the highest level—meaning with Daniel Ortega—in a free, democratic, Central American country at a future date that would have to be determined. The RN remains faithful to the purposes and objectives of the struggle to bring peace with liberty to Nicaragua.

[Mojica] Dr Calero, what can you say regarding the comments and rumors that there is no unity within the RN Directorate?

[Calero] Look, the RN Directorate is not the national leadership. The RN Directorate is not like the Sandinists, who are bound up in an ideological, communist, dictatorial, totalitarian straitjacket. The RN Directorate has people who think, who firmly believe that things can be accomplished, in some cases by different means, but there are similar views as well as similar objectives. They want to establish an open, free society in Nicaragua. We all share this desire as well as the desire that a democratic government elected by the people be established. There has been a lot of speculation about, and

there have been efforts to exploit some schisms that some people apparently see. However, we are united in our objectives, purposes, and work, and this was clearly demonstrated in Guatemala during the meeting with Secretary of State Shultz, Under [as heard] Secretary Abrams, Ambassador Busby, and other U.S. Government officials who were visiting Central America, visiting the presidents of the free countries of Central America and the RN. They did not visit the Sandinist government. They met with the RN.

[Mojica] Dr Calero, if a dialogue is held with Daniel Ortega's government, will these conversations be held indefinitely or is there an exact timeframe for the talks?

[Calero] Absolutely not; there was a timetable that was rejected by the Sandinist regime. Furthermore, during the tour by the secretary of state through Central America, the resolution and joint declaration issued by the Central American presidents in San Jose, Costa Rica—although the meeting was held in Alajuela—on 16 January 1988 was discussed. In that resolution, Daniel Ortega pledged on behalf of the Sandinist government to release political prisoners and establish democracy, freedom of the press, freedom of expression, freedom for labor organizations, and total freedom for the Nicaraguan people immediately and unconditionally. Several months have passed since January, and next month it will be 1 year since the Esquipulas II accord was signed in Guatemala. The Sandinists have shown the democratic countries of Central America and the free world that they are totalitarian communists who do not understand or want to attain democracy.

Arce Comments on Economy, Effects of War
PA0607044188 Madrid EFE in Spanish 0333 GMT
5 Jul 88

[Text] Havana, 4 Jul (EFE)— Nicaragua is exporting goods worth \$200 million and it needs \$800 million to produce that \$200 million and to overcome the country's economic crisis, Sandinist Commander Bayardo Arce said, according to reports from Havana today.

In statements published in the latest issue of the Cuban weekly BOHEMIA, Arce pointed out that his country is the victim of "an unfair international economic situation, of property damage caused by the war, and of other war-related events."

In his opinion, "when we achieve peace, a face-to-face confrontation with the economic crisis will be more easily handled, because since the war began the people have had to adjust to reality."

Arce, vice coordinator of the FSLN National Directorate's Executive Commission, said that Nicaragua's economy has suffered losses of over \$1.7 billion.

"However, the impact of the war in terms of our productive output and our economic process raises that figure to \$3.6 billion. [quotation mark as received]

He added: "That figure represents more than what we have exported since the triumph of the revolution" in July 1979.

Bayardo Arce said that in light of the current crisis, his government is trying to increase production by encouraging employers and employees. It is encouraging the former by devaluing the currency and the latter by setting no limits on their salaries, allowing wages to be increased according to the workers' productivity.

Moreover, Arce said that "rightist businessmen, political parties, and the church's right-wing sectors have been timid. They fear that if they participate in the regime's mixed economy and multi-party system, they may be considered Sandinist accomplices, and when the Reagan administration finally puts an end to the revolution, they may be left out."

In this regard, Arce said, "it may be that when our relations with the United States have stabilized, the attitude of these people will change."

Regarding the new government that will be elected to the White House next year, Arce said: "It will not maintain the same policy implemented by Reagan up to now." He added: "It would be very hard for someone worse than Reagan to be elected."

Bayardo Arce said that if Nicaragua were to attain peace, "the military confrontation will be replaced by one of a political-ideological nature."

"We are willing to pay that price. We have been at a disadvantage because the effects of the aggression and the international economic crisis on our economy are simply devastating and profound," Arce said.

However, Arce pointed out that one of the Sandinist government's plans is to "continue to rule the country, despite increased challenges and difficulties, because it is clear that we have to rely on our own efforts."

Comparison of H. Ortega on Military Defenses

Managua BARRICADA in Spanish on 1 July carries on page 4 a 750-word text of an EPS proclamation entitled "Let Us Redouble Our Combat Morale Against the Enemy." The proclamation has been compared with the statement by Defense Minister General Humberto Ortega carried by Managua Domestic Service published in the 1 July Latin America DAILY REPORT, page 16, revealing the following variations:

Column one, paragraph two, line one reads in BARRICADA: [Text] We, the commanders of squads, platoons, companies, battalions, Battalions for Unconventional Warfare, small special force units, permanent territorial companies, operational support bases, border guard troops, the Sandinist Air Force and air defense, the Sandinist Navy, armored and artillery units, and

advance and rearguard units, as well as members of regional general staffs and the EPS General Staff, 1,200 in all, meeting here at the Olof Palme Convention Center on 30 June 1988, on behalf of all the EPS fighters belonging to the permanent structures, Patriotic Military Service, reserves, Sandinist People's Militias, recruits, soldiers, troops, officers, and civilian workers in our ranks, proclaim: 1. Confronted by the... (providing additional material, rewording) Column two, paragraph three, line two reads in BARRICADA: ...peasants, youths, women, children, the elderly, clergymen, and Christians, with the courage and dignity of the Nicaraguan nation of Zeledon, Sandino, Rigoberto, and Carlos Fonseca, today we reiterate our sacred oath that we will not surrender or sell out before the Yankee aggressor.

On the 9th anniversary of the revolutionary triumph:

Not one step backward! Not one step backward! Not one step backward! We are winning! We will overcome! Free fatherland or death! (providing additional material)

Reports on Government, Contra Clashes

27-28 June Attacks

PA0107132088 Managua BARRICADA in Spanish
30 Jun 88 p 4

[Text] The following is a summary of the principal military actions reported by the Defense Ministry in response to counterrevolutionary attacks on EPS troops:

1. On 27 June, mercenary groups attacked our troops in a place known as La Flor, northeast of Almendro, Rio San Juan Department. As a result of this clash, six mercenaries were killed and four AK rifles, one M-79 grenade launcher, and six knapsacks were confiscated.

On 28 June, mercenary groups near (Cerro Las Torres), northeast of Pantasma, Jinotega Department, kidnapped three civilians.

On 27 June, boat No 1314 belonging to the Copesnica enterprise was attacked and large quantities of dry rations were stolen. The boat was carrying out its fishing duties in the Cabo Gracias a Dios area, northern Atlantic autonomous region.

On that same day, a civilian bus traveling between Juigalpa and Santo Domingo, Chontales Department, was intercepted and searched and its passengers were intimidated.

On 27 June, mercenary groups assassinated a peasant and injured a woman in the Santa Teresa area, northeast of Pantasma, Jinotega Department.

28-29 June Actions

PA0107153788 Managua Domestic Service in Spanish
2300 GMT 30 Jun 88

[Bulletin issued by the Public and Foreign Relations Directorate of the Defense Ministry in Managua on 30 June]

[Text] Combative actions in response to counterrevolutionary attacks on our troops:

On 28 June, mercenary groups attacked our troops in (Rio Tijivalle), east of the Yolaine neighborhood, in the autonomous south Atlantic region. As a result, two mercenaries were killed. An M-79 [grenade launcher] and a knapsack were seized.

On 29 June, a counterrevolutionary group attacked our troops near (El Piyul Hill), north of (Presillas), Chontales Department. As a result, two mercenaries were killed. Two AK rifles and two knapsacks were seized.

Terrorist actions against civilians and economic targets by mercenary forces loyal to former Colonel Enrique Bermudez:

On 29 June, a mercenary group kidnapped 15 civilians in El Pital, northeast of (Presillas), Chontales Department.

Issued in Managua on 30 June 1988

[Signed] Defense Ministry's Public and Foreign Relations Directorate

RN on 9-10 June Clashes

PA0207164288 Managua LA PRENSA in Spanish
30 Jun 88 pp 1, 12

[Communique issued by the Nicaraguan Resistance (RN) "from the mountains of Nicaragua" on 29 June]

[Text] The Strategic General Staff (EME) [words indistinct]. The EPS has attacked our units [words indistinct].

The first incident took place on 9 June in the El Delirio area, Nueva Guinea, in the southern area of Zelaya Department. During the skirmish, the EPS had [words indistinct].

The second and third clashes took place at different times on 10 June in the El Letargo area, Nueva Guinea, in the southern area of Zelaya Department. As a result of these clashes, the EPS sustained 10 casualties. The EME's Southern Front regrettably reports the death in combat of one of our fighters.

All the fighting took place as a result of EPS attempts to infiltrate positions held by our fighters before the signing of the Sapoa agreement on 23 March.

Again, the EME's Southern Front insists that our troops strictly comply with the orders to respect the tacit cease-fire and to not launch offensive military actions.

However, if attacked, as happened in the above mentioned incidents, our forces will immediately reply to the EPS provocations.

The Southern Front regrettably reports the new shedding of Nicaraguan blood, especially during the truce that the Managua regime has bragged of abroad. However, the EPS is to blame for these incidents.

Contra Attacks, U.S. Actions in June Reported
PA0607035088 Managua Radio Sandino in Spanish
1200 GMT 5 Jul 88

[Communique issued by the Public and Foreign Relations Directorate of the Defense Ministry in Managua on 4 July]

[Text] 1. During the unilateral cessation of offensive military operations from 1 to 30 June, which was decreed by President Daniel Ortega, the counterrevolutionary forces loyal to former Colonel Enrique Bermudez have continued to try to stop the peace negotiations. These forces carried out constant terrorist actions. They primarily aimed their attacks on civilian targets, kidnapped many peasants, and stole cattle. The EPS permanent, reserve, and militia troops, supported by Interior Ministry forces, repelled all these actions. In these clashes, the mercenaries suffered 118 casualties, including 88 dead. A large number of mercenary weapons and materiel were seized, including 40 AK rifles, 3 RPG-7 rocket launchers, M-79 grenade launchers, and other materiel and ammunition.

Nine civilians were killed, 9 were injured, and 184 were kidnapped. The EPS sustained 15 dead and 62 wounded. Most of the injuries were not serious.

2. We report that 99 counterrevolutionaries surrendered. We can mention the surrender of the Milton [name indistinct] Task Force troops. Ambinio Palacios was the leader of this task force, which was made up of 60 Sumu Indians.

3. During the above-mentioned period, there were 32 violations of our air space by C-47, DC-6, and F-5 airplanes. These airplanes came from Honduras and Costa Rica and conducted espionage and supply missions to support the mercenary forces operating inside the country.

4. Moreover, the Honduran Army conducted acts of provocation and harassment to support operations by the mercenary forces along the border. We can mention attacks against EPS positions along the border in Murupuchi and Aguas Calientes, north and west of Jalapa, respectively, in Nueva Segovia Department. These actions took place on 17, 20, and 26 June.

5. Using C-130 and U-2 airplanes, the U.S. Air Force violated our air space six times. The goal was to conduct electronic eavesdropping and photographic and topographic reconnaissance missions.

6. The U.S. Navy also continued conducting espionage and harassment operations against our country. Toward this goal, the U.S. Navy is keeping ARL-24 and Sphinx warships and an unidentified frigate in the Pacific Ocean.

7. The U.S. presence in Central America has increased, especially with the reinforcement of U.S. troops in the Southern Command in Panama. In the last week of June, there were 24,128 U.S. soldiers in the region. This figure does not take into account the participation of U.S. soldiers in exercises in the Caribbean in which an aircraft carrier is participating.

Managua, 4 July 1988

For a worthy peace, free fatherland or death

[Signed] Defense Ministry Public and Foreign Relations Directorate

Panama

Government Withdraws From PCC Board Meeting

Foreign Ministry Communique
PA0507191888 Panama City Domestic Service
in Spanish 1719 GMT 5 Jul 88

[Communique issued by the Foreign Ministry in Panama City on 5 July]

[Text] The Panamanian Government, through the Panamanian Foreign Ministry, hereby states that the U.S. Government has turned the Panama Canal administration into another weapon for its economic aggression and coercion against Panama, thus violating the Panama Canal and Permanent Neutrality Treaties signed on 7 September 1977 at the OAS headquarters in Washington and implemented on 1 October 1979. The U.S. Government has illegally withheld all payments that, in accordance with Articles 13 and 3 of the Panama Canal treaties, are due the Panamanian Government. These payments amount to more than \$1 billion.

The U.S. Government has also withheld payment of income and education taxes deducted from the wages earned by Panamanians who work for the Panama Canal Commission [PCC] and the U.S. Armed Forces. Even though the Social Security Fund dues were deducted from the worker's wages, they were not sent to the Social Security Fund. In a humanitarian gesture, the Social Security Fund extended its deadline for the payment of dues to 15 June and then to 30 June. During that time, the workers were eligible for all medical services offered by the Social Security Fund. In this manner, the organization gave the U.S. Government a chance to reconsider this unfair unilateral measure that was harming the workers.

Even though some U.S. officials recently announced that, for humanitarian reasons, the U.S. Government had authorized the payment of the Social Security Fund dues, that amount only covered part of the unpaid amount because they only paid \$1.5 million owed for the month of May. The Panamanian Government rejected this payment because it did not include the payments due for the months of February, March, and April. After much pressure on the part of the unions and Social Security Fund to protect the Panamanian workers, on 1 July 1988 the U.S. Government paid \$4.5 million, which covers the amount owed the Social Security Fund. However, they are still withholding the amounts deducted for income and education taxes.

In light of this, the Panamanian Government has no other alternative but to apply the law regarding the issuing of tax clearance certificates [paz y salvo]. Therefore, the Panamanian employees of the Panama Canal Commission and U.S. Armed Forces will not be eligible for tax clearance certificates until all their taxes have been paid.

Since 1 October 1979, the Panamanian Government has strictly abided by the commitments established in the Torrijos-Carter treaties. Furthermore, Panama has always tried to separate matters pertaining to the administration and operation of the canal from those matters pertaining to the political relations between the two countries and their domestic matters. The awareness of Panama's responsibility toward the international community, especially Panama Canal users, has always been a priority for the Panamanian Government and its representatives on the Panama Canal Commission Board of Directors.

Even though the 1988 schedule for meetings of the Panama Canal Commission Board of Directors states that Panama City will host the July meeting, the president of the Board of Directors, without previous consultation, has changed the site of the meeting to be held on 13 and 14 July to Savannah, Georgia. Likewise, the Board of Directors has refused to include on the agenda the Panamanian Government's demands.

In light of these changes made without previous consultation, and taking into consideration the fact that they have refused to include on the agenda the topic of disregard for the economic obligations established in the treaties as well as the obstacles presented for the Panamanian delegation to attend the meeting, the Panamanian Government has decided that its representatives on the Panama Canal Commission Board of Directors will refrain from attending the meeting scheduled for 13 and 14 July.

Before the governments of the world, especially before the governments of the Latin American countries that witnessed the signing of the 1977 treaties and the countries that signed the permanent neutrality protocol, the Panamanian Government challenges the United States of America to answer for any consequences that may result from its illegal actions. The Panamanian Government reiterates its determination

to ensure the efficient and proper operation of the Panama Canal while the treaty continues to be in effect and beyond the year 2000, when we will assume total control and administration of this waterway that is so important for world maritime trade.

Panama City, 5 July 1988

Ritter Comments

PA0507193888 Panama City Domestic Service
in Spanish 1649 GMT 5 Jul 88

[News conference held by Foreign Minister Jorge Ritter and Deputy Foreign Minister Jose Maria Cabrera with reporters and moderator Nils Castro at the Atlapa Convention Center in Panama City—live; broadcast in progress]

[Text] [Ritter] ...a meeting of the Panama Canal Commission Board of Directors had been scheduled, which was going to be held in Panama. The United States unilaterally decided to change the venue of the meeting to Savannah, Georgia. Panama asked to include on the agenda the topic of the money withheld, which I have just mentioned, of the money owed to Panama. [This request] was denied. This topic was not included on the agenda for this meeting. Nevertheless, the Foreign Relations Ministry authorized the presence of the Panamanian directors at the PCC Board of Directors meeting because, I repeat, we wanted to separate the issue of the current state of Panama-United States relations from the efficient operation of the Panama Canal and of the organizations created by the treaty.

However, supported by the farce and the fiction of a nonexistent government, the United States is now refusing to recognize the person named and appointed by the Panamanian Government to replace Mr Carlos Velarde on the PCC Board of Directors. Mr Arnulfo Suarez had been appointed as a Panamanian PCC director through an executive decree dated 15 March 1988. This appointment has not been recognized by the United States. In addition, the United States stated in a note that it would not grant visas—visas would be approved only for the commissioners—to the members of the support team that normally attends the PCC Board of Directors meetings. In other words, the PCC Board of Directors meeting was going to be held in Georgia with the following conditions:

1. As is obvious, the meeting was not going to be held in Panama as planned.
2. The subject that Panama had asked to be included on the agenda—the withholding of payments owed to the Republic of Panama—was not going to be on the agenda.
3. The members appointed by the Panamanian Government were not recognized.
4. Visas were not granted to the Panamanian support team.

The Government of Panama formally announces that it not attending this meeting or any other meeting of the Panama Canal Commission Board of Directors until the United States normalizes its relations and recognizes the members named by the Government of Panama to the PCC Board of Directors.

This is, I repeat, a very difficult step to take, because Panama wanted to keep the bilateral organizations created by the Panama Canal treaties separate from the current crisis in Panama-U.S. relations. However, it is clear that it has become impossible to maintain and continue participating in the most important bilateral organization—the PCC Board of Directors. It is true that the United States has a majority on the PCC Board of Directors, and Panama wanted to express its views to the Board of Directors although, I repeat, we know we are in the minority on the Board of Directors.

However, to participate under the conditions the United States had tried to impose would be, and is, an offense to the dignity of the Republic of Panama. Therefore, I repeat, Panama will not attend, because the foreign relations minister is not authorizing the Panamanian commissioners to attend the upcoming Panamanian Canal Commission Board of Directors meeting. This is the statement I wanted to read.

[Cupas] Mr Foreign Minister, I am Tomas Cupas of UPI. This morning, the diplomatic corps visited the Foreign Ministry where that statement was read. Why?

[Ritter] The diplomatic corps accredited in Panama was notified of the step that is being announced now. I thought the diplomatic corps should be notified of this situation because this is not just a problem of bilateral relations between the United States and Panama. Remember, the Permanent Neutrality Treaty is open to adherence by all nations of the world. Therefore, the efficient operation of the Panama Canal is the concern of the entire international community, particularly Latin Americans because the Torrijos-Carter treaties were signed at the OAS during the only [as heard] presidents' meeting held in the last 20 years. The importance of that treaty goes beyond the realm of bilateral relations between Panama and the United States.

Therefore, as Panama concludes its participation—at least at this stage, until the United States recognizes the Panamanian Government's representatives—we thought it was our duty to notify the diplomatic corps accredited in Panama so they could notify their respective governments.

[Reporter] You have just said that...

[Castro, interrupting] Please state your name and affiliation.

[Reporter] [Words indistinct] during the Board of Directors meeting scheduled for this month. What effect will the nonparticipation of Panama have?

[Ritter] I think this harms and contradicts the essence of the Panama Canal Treaty. Although it is true that the law approved by the United States establishes that when there is a majority of U.S. members this constitutes a quorum, this is a violation that Panama has denounced on several occasions. The United States thus presents an absurd situation whereby if eight members are present—four Americans and four Panamanians—this does not constitute a quorum. However, if there are five present—three Americans and two Panamanians—then there is a quorum because the only requirement established by the law approved by the United States is that there must be an American majority.

Therefore, there might be another arbitrary action if the Board of Directors meeting is held without the presence of Panamanian members. However, I repeat, this contradicts the essence of the treaty itself, because that is a bilateral organization. The idea of a board of directors—even if it has a U.S. majority—is that it should also include Panamanians. Panama is not going to participate in those meetings because not only should the members be Panamanians, but they must represent the Government of Panama on that Board of Directors. Otherwise, this would be a mockery to Panama if the United States were to decide unilaterally who the Panamanian representatives are on the Board of Directors. That is the reason why Panama is not participating.

I believe the main result of that decision is that the most important institution created by the treaties—the Board of Directors of the Panama Canal Commission—has ceased to function until, I repeat, until the situation is normalized and the Panamanian representatives on the Board of Directors are recognized.

[Reporter] [Words indistinct]

[Ritter] There are many matters concerning the normal operation of the canal which had to be discussed at this board meeting. In addition, there was a problem that was essential for Panama, which was the problem of the withholdings. In our opinion, these matters should not be discussed in Panama's absence. I hope and trust that the United States will not further harm relations and will not commit another arbitrary action, such as unilaterally creating a new PCC board of directors. Although this action could be supported by a law approved in the United States—which would give such an action approbation through a majority of votes—it contravenes, as I said before, the essence of the Board of Directors, which should be a binational corporation, representing the two countries.

I repeat, the end result is that Panama cannot recognize, it will not recognize any decision made, because a Panamanian presence has not been accepted by the United States; in fact, the United States has denied that presence.

[De la Hoz] Mr Minister, I am Victor de la Hoz of Radio America...

[Ritter, interrupting] I am sorry to interrupt, but the deputy foreign minister would like to add a few words regarding the previous question.

[Cabrera] Yes. I would like to expand on the foreign minister's reply to the question made by the NBC radio reporter regarding the process for drafting the PCC budget. The experience Panamanian representatives on the Board of Directors have had during the past 8 years—since 1980, when the board first began to function—is that despite repeated demands from the Panamanian representatives for a more active and decisive role in the budget planning process—which is in accordance with Panama's responsibility as a member of the PCC's highest joint organ—this role has always been denied. One excuse or another have been used for this denial, mostly based on arguments and provisions in Law 96-70.

In fact, the role of the Panamanian representatives on the Board of Directors has been merely advisory. Panamanian board members are informed of the process; they are given the overall figures without having any participation in the discussions or decisionmaking process concerning PCC budget policy. Therefore, in fact, the effect [of the withdrawal] will be minimal.

[De la Hoz] I am Victor de la Hoz, of Radio America. In light of the situation you have just reported, how would you describe relations between Panama and the United States? How would you describe the state of your relations at this time? Another question: Do you expect a visit to Panama in the next few weeks by another special envoy from the U.S. Government to continue talks with General Noriega's representatives and government authorities to find a solution to the Panamanian crisis?

[Ritter] I think it is opportune to reiterate that relations between Panama and the United States are at their lowest level in history. Relations between Panama and the United States today are practically nonexistent. Regarding your second question, no formal meeting is planned with U.S. Government representatives in the next few weeks.

[Reporter] [Question indistinct]

[Cabrera] Glad to, Ana Maria. When we made that remark in Caracas, we did so because we were truly worried by movements and actions by the U.S. Army in Panama. I think that that situation has not disappeared. On the contrary, it is still there. Our message or accusation in Caracas to the Venezuelan and international public had an important effect. Although some U.S. spokesmen have denied it, they are obviously not going to admit to having any plan, program, or action of this type. The potential for danger remains.

Nevertheless, it is also important to note that the Panamanian Government's and people's response deters that escalation of the aggression. That spirit will be the only thing that will stop this sort of action or force those considering this option to reconsider.

[Reporter] [Passage indistinct] Is Panama planning to consult with governments in the region or make its charges at international forums to try to influence the U.S. attitude?

[Ritter] Yes. Panama has been constantly reporting violations of the treaties. We will not stop at any effort now to speak again at international forums and to friendly governments about the new violation of the Panama Canal treaties. This violation is not like some others that have been committed. Instead, this violation jeopardizes the very existence of the treaties, as it ignores the functions of the most important binational organization that the treaties created.

[Reporter] [Question indistinct]

[Ritter] I want to insist that the measure is based on the fact that Panama finds it unacceptable and offensive that in an organization that was designed for the participation of the two governments, the United States has taken upon itself the right to decide who will represent the Panamanian Government, where the meeting will be held, and who will and will not be permitted to participate in it. I think the U.S. decision has already made it impossible to hold future PCC meetings. I do not know. I would like to think that there was no premeditated decision to take the situation to the extremes to which it has been taken. This situation is part of the absurd state in which the United States has placed relations with Panama with the attempt to recognize someone the United States has been keeping in hiding for 4 months.

If they have different ideas, however, such as to disregard the Panama Canal treaties, then Panama will not only continue to report the violations to international organizations, but it will take additional measures, which we will not mention at this point because we would be discussing a hypothetical, not an actual, case. We are now dealing with an actual case.

[Reporter] [Question indistinct]

[Castro] As is customary, we ask you to keep the news conference in Spanish. At the end of the news conference, the foreign minister may be kind enough to answer questions in English.

[Reporter] Some U.S. congressmen are already asking for the revision of the Panama Canal treaties. Do you think that with Panama's withdrawal, this country may be giving greater validity to the argument that the treaties must be renegotiated?

[Ritter] On the contrary, Panama has not unilaterally and arbitrarily withdrawn from the PCC. Instead, the United States has made it impossible for Panama to participate, which is something very different. In fact, this is nothing new. As early as 1977, there were those in the United States who wanted to renegotiate the treaties. They never favored the approval of the treaties. The U.S. leaders, however, have always reaffirmed their willingness to respect the treaties even if, in practice, they are violating the treaties.

I think that to renegotiate a treaty you need the willingness of both sides. I can assure you that on the part of Panama, there is no willingness to renegotiate the treaty. Instead, it wants respect for all parts of the one currently in force.

[Reporter] [Words indistinct] could relations between Panama and the United States be considered suspended, or is there a break of diplomatic relations between Panama and the United States?

[Ritter] Absolutely not. Panama has not broken nor does it have any intention of breaking diplomatic relations with the United States. The only thing I have done is to point out the true and evident fact that relations between Panama and the United States are at the lowest level ever.

[Bravo] I am Julio Bravo of Television Channel 2. [Words indistinct] in the next year there should be some changes in the PCC Board of Directors, whereby the majority of board members will be Panamanians. If this situation continues and if the United States maintains these conditions, how would this affect this change in the Board of Directors?

[Ritter] Let me point something out. It is not that next year Panama will have a majority in the Board of Directors. The current structure of the Board of Directors will be maintained until the end of the treaty. The functions of the administrator and deputy administrator will be inverted in 1990. Panama will hold the post of administrator, while the United States will hold the post of deputy administrator. However, there have already been some signs that the United States is also planning to disregard this part of the treaty by creating a post above that of the administrator. In practice, this would negate the functions of the administrator, who should be a Panamanian in this case.

This has already been included in a draft. Panama is studying that possible step that the United States would take. I am going a step ahead and say that Panama feels that any post that will minimize or diminish the importance and effectiveness of the Panama Canal administrator—who must be a Panamanian as of 1990—is unacceptable.

[Reporter] [Question indistinct]

[Ritter] One of the steps taken by the U.S. Government has been that of asking other countries to accompany it in this adventure of not recognizing the Panamanian

Government and of recognizing a nonexistent government. I think the aims of Shultz' visit to the region were clear. I do not think any country in the world will join the United States in an action that violates international law and practice. I think one cannot confuse alliances or friendships when it is a matter of imposing conduct on friends and allies that clearly violates international law.

The international press has covered the definite failure of this visit. Regardless of their own individual policies, the countries of this hemisphere respect the principle of the right to self-determination and will not join the United States in this adventure.

[Reporter] It is said that Panama has [words indistinct]. Is Panama willing to clarify that political situation or definitely separate itself from [words indistinct]?

[Ritter] No. The Group of Eight is waiting for an evaluation of the situation following the Cartagena meeting. In Mexico, I met with the foreign ministers of the Contadora and Support Groups to explain what was happening in Panama and how the political situation had evolved. The other seven foreign ministers must now make that evaluation to determine [words indistinct].

[Castro] One last question.

[Reporter] [Words indistinct] on an asylum request by [former Ecuadoran presidential candidate] Abdala Bucaram?

[Ritter] Up to now there has been no formal request for asylum in Panama for Bucaram. If there were, we would study it and answer you later. But up to now, I must say that... [changes thought] No, I do not like to answer you based on suppositions. So far, there has been no such request.

[Castro] We appreciate your attendance. We have finished.

Western Diplomats Cited

PA0507185888 Panama City ACAN in Spanish
1750 GMT 5 Jul 88

[Excerpt] Panama City, 5 Jul (ACAN-EFE)—Today Western diplomatic sources told ACAN-EFE that the Panamanian Government decided to withdraw from the Panama Canal Commission Board of Directors.

The sources, which requested to remain anonymous, said Panamanian Foreign Minister Jorge Eduardo Ritter called the diplomatic corps accredited in Panama to a meeting today to announce the decision.

The sources added that according to Foreign Minister Ritter, the reasons for the decision are the economic sanctions that President Ronald Reagan's administration maintains against Panama, Washington's refusal to recognize the current Panamanian Government, and the transfer of the PCC Board of Directors meeting to the United States.

Panama's withdrawal from the PCC Board of Directors, which is comprised of four Panamanian representatives and five U.S. ones, including the U.S. canal administrator and the Panamanian deputy administrator, was described by the diplomatic sources as a virtual [efectiva] break in diplomatic relations with the United States.

The sources added that with this decision, the third and last official communication channel between Panama and the United States had been cut.

The two other channels that were previously cut were those between the governments and their embassies, suspended at the end February, and between the two Armies through the joint defense board. [passage omitted]

Noriega Says Money Laundering To Continue
PA0607005888 Panama City Circuito RPC Television in Spanish 2300 GMT 5 Jul 88

[Text] In statements to the Milan newspaper *CORRIERE DELLA SERA*, which ANSA cited today, General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces [FDP], said that Panama will continue to launder dollars from cocaine trafficking as long as the U.S. market continues giving thousands of millions of dollars to the drug mafia.

According to the ANSA report, Noriega also told *CORRIERE DELLA SERA* that Panama may establish its own monetary system if the embargo of Panamanian assets in the United States continues.

The Milan newspaper, cited by ANSA, said that Noriega wants to establish a strong and stable currency, but that Panamanian bankers are hesitant because they fear that inflation will result and they realize that this would be politically dangerous. Quoting *CORRIERE DELLA SERA*, ANSA said that Noriega remarked that he did not want to talk about any leading role for the FDP but about cooperation for Panama's development.

According to ANSA, *CORRIERE DELLA SERA* brought up Noriega's alleged links with drug and arms trafficking during the interview, but Noriega denied any such links and stressed that the U.S. DEA gave him certificates attesting to his cooperation in the struggle against drug trafficking.

Noriega on U.S. Policy, Economy, Elections
PM0107161188 Madrid ABC in Spanish 29 Jun 88 pp 71-74

[Interview with Defense Forces chief General Antonio Manuel Noriega by Tico Medina in Panama City—date not given]

[Excerpt] [Passage omitted] [Medina] General, President Delvalle is somewhere nearby (perhaps in Fort [as published] Howard, it is said), on the other side of the canal. What would you like to tell him right now?

[Noriega] That he was duped...; that, as I told him, he was duped. That he allowed himself to be deceived.

[Medina] General, when Reagan goes, will not everything perhaps change somewhat for you? Because perhaps with Dukakis, perhaps with Bush...

[Noriega] The United States is a complex country because of its size and its power and is not like other countries. There is a rule book there which states that some things remain above everything, must be done, and stand above everything and everybody. There is neither friendship, nor relations, nor commitments—just the system's national interest, and that is all. I see Panama as having the same problem until 1999. Why? Because we are a country different from all the countries in Latin America. Why do they not do it with Peru, or even with El Salvador or Nicaragua? It is very simple. Because they do not have the canal and we do. That is why U.S. policy toward us is different. Geopolitics requires it. U.S. interests here are stronger. A very few days ago Shultz was asked what difference there is between his attitudes to Haiti, with what has happened now, and Panama..., and Shultz replied: "It is that in Panama we have other strategic interests." [answer ends]

Noriega asked in a low voice for a Coca Cola.

[Medina] But, General, do you believe that the view of U.S. governments is the U.S. people's view?

[Noriega] The U.S. people have nothing to do with this. The proof is that since the signing of the treaties they have come to see us, to learn what we are like, to become acquainted with us. Because the blame for our external image also lies with the "zonians," who, as you know, are those who live in the Canal Zone and who are now in their third generation and do not know the United States, or Panama either. It was they who conveyed the negative messages. Then there are the politicians, the opinion polls, the lobbies, and the Congress; it is they who rule the roost, who count...

[Medina] However, Torrijos told me that Panama is not just the canal.

[Noriega] Of course. The fact is that the canal, like all things in life, in due course is doomed to become somewhat obsolete, because the world is making considerable progress technically. But Panama is a unique geographical spot; you need only look at the map with future strategy in mind. It is here that the signal of the sophisticated warfare of the future is best received geographically...

[Medina] You are at the lens of the telescope, General, but you are also examining this under the microscope. Where are you heading? Where is Panama heading?

[Noriega] First we should say where we are right now. The economic attack on Panama has made the Panamanian people change their habits and even their way of life. It

seems incredible, but the phenomenon has occurred. I say so because it has happened in my own house. Previously, you went to the supermarket and, if you had five dollars left over, you bought things which were not needed only to leave much of it in the grocery box; the pesos went on things, I repeat, which were nonessentials. Previously, there was more than enough food, where it existed, and more than what was needed was prepared. Now I prepare only what I need, because you only eat what you have. This has also happened with clothes; Panamanians are very fond of dressing well, but now they have learned to have only what they need—the essentials.

[Medina] This could be the bright side of it, General, but the streets...

[Noriega] That is, a kind of, say, domestic responsibility has been created. Where are we heading? That is another matter. But we must go in search of an economic reality of our own, something that the people are now demanding. The people have realized that the dollar is not their son, nor is it their brother, and that they could some day lose the dollar. So, not wishing to be in jeopardy, they need, they want a currency system which will enable them to live their own domestic lives; and besides, the common people have no connection with the banks' problem anyway. I say, for the simple reason that they have no money in the banks. So why should they fight for a bank? They believe that all the banks in the world can leave here, because where most of them have their money is not there but in daily life, in everyday dealings. So what could their hope be? Well, that the extremely harsh experience which they have undergone will bring them better times and that the vote of confidence which they give the government will be their share of sacrifices, and that the latter will make amends to them in the future...; that future which President Solis Palma now offers them.

[Medina] By the way, General, Solis Palma has told me that there will be free, democratic, and fair elections next May... What will be the Armed Forces' role at that time?

[Noriega] We will act only in support, and will be at the disposal of the electoral board, strictly in order to guarantee security and public order.

[Medina] I would like to know if there is any truth which has not been told in all this. You know, it is as dishonest to keep back the truth as to tell a lie, General...

[Noriega] I will not tell you that easy times are going to come. The problem will persist. It is something that will intensify as we approach 1999, the last day of which should mark the complete Panamanianization of the

canal. We must not forget that the countdown has begun, we are on the last lap; now only nine, eight, seven...are left. Because the United States will be working in proportion to our joy in order to secure the best advantages. That is the severe test, in which we as a generation are paying our necessary share. [passage omitted]

Benefits to U.S. Government Employees Resume
PA0507144588 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Jul 88 p 1

[Text] Yesterday several checks totaling \$4,548,731.98 were presented to Finance and Treasury Minister Orville K. Goodin by Gilberto Perez, Panamanian Government representative on the Coordinating Commission of the Panama Treaty Affairs Executive Directorate (DEPAT).

It was learned that the checks represent the amount owed the Panamanian Government (Social Security Fund) by the Canal Commission and its employees. In April, under orders issued by President Reagan as part of his war against our country, the Panama Canal Commission stopped its payments to the Social Security Fund.

Minister Goodin accepted the checks and immediately handed them to Social Security Fund Director Dr Ilka Viejo. After accepting the checks, Dr Viejo announced that as of that moment, 1538, all medical services to which the Panama Canal Commission and U.S. Armed Forces workers are entitled would be resumed.

Likewise, very reliable sources have announced that the U.S. Armed Forces will pay its Social Security Fund dues tomorrow, Wednesday.

Minister Goodin also announced that tax clearance certificates [paz y salvo] for travel will not be issued to Panama Canal Commission and U.S. Armed Forces workers "because their employers have not paid the income tax that is deducted from the workers wages. Likewise, the check stubs previously used as tax clearance certificates will not be honored by immigration officials."

Meanwhile, very dramatic scenes have been observed at the Finance and Treasury Ministry and its El Dorado branch, where many Panama Canal Commission and U.S. Armed Forces workers go to obtain their tax clearance certificates, which are not being given to them because their employers are deducting their taxes, but "not handing them over to the government."

Republic of Panama
Finance and Treasury Ministry
Public Affairs Advisory Office

Argentina

Korean President Sends Message to Alfonsin

PY0607015888 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2015 GMT 5 Jul 88

[Text] Buenos Aires, 5 Jul (NA)—Today President Raul Alfonsin received a personal letter from his ROK counterpart, No Tae Woo, who expressed his willingness to increase relations with Argentina in all fields.

In his letter, the ROK president also expresses gratitude for "sending a high-level delegation," headed by Vice President Victor Martinez, to his presidential inauguration ceremony.

No Tae Woo's personal letter was delivered to the Argentine president by Kyung Wom Kim, roving ambassador and ROK Foreign Ministry adviser, who arrived in Buenos Aires on 3 July and will return to the ROK on 6 July.

Kyung Wom Kim went to meet Alfonsin accompanied by Argentine Deputy Foreign Minister Susana Ruiz Cerutti, who disclosed the details of the letter delivered to Alfonsin.

In his letter, No Tae Woo confirms his country's "decision and political willingness" to increase relations with Argentina, outlines the status of the bilateral relations, and reviews important events in international politics.

Binational Commission Meeting With Chile Ends

PY0207005188 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2115 GMT 1 Jul 88

[Text] Buenos Aires, 1 Jul (NA)—Argentina will sell natural gas to Chile. Initially a minimum of 500,000 cubic meters per day will be traded according to an act signed here today at the conclusion of the third meeting of the Argentine-Chilean Binational Commission of Economic Cooperation and Physical Integration.

Regarding physical integration, a binational technical committee was created. This committee will submit, within 90 days, a preliminary study on communications between the two countries.

"The ideological barriers have been overcome" said General Ernesto Videla, Chilean deputy foreign minister and chief of the Chilean delegation, after meeting with Argentine Foreign Minister Dante Caputo this afternoon.

Videla then signed the binational commission act with Alberto Ferrari Etcheberry, Argentine under secretary for Latin American affairs.

During a brief meeting with reporters, Videla said that bilateral relations with Argentina "have priority" for the military government of President Augusto Pinocheta.

Videla said: "We are building peace 10 years after being at the brink of war."

Regarding trade, the two delegations expressed satisfaction over the achievements made. They indicated that during 1987 bilateral trade totaled \$333 million and that the figures available for the first 5 months of this year show a 36-percent increase over the same period last year.

Regarding energy, the Argentine delegation expressed its "willingness" to sell natural gas to Chile. The gas will come from a point in the center-west gas pipeline near San Rafael and will cross the border through Cajon del Maipo.

In the initial stages of the agreement a minimum of 500,000 cubic meters a day will be traded, rising to 2 million cubic meters a day within 20 years.

Chile is interested in bartering the gas specified in this agreement in partial exchange for Chilean natural gas which will be sold to Argentina in the zone of Cerro Redondon, Santa Cruz Province.

The Chilean delegation also expressed the need for international financial organizations and the private sector to participate in the project.

Regarding physical integration, an agreement was reached to create a binational technical committee to study communications between Chile and Argentina in order to propose "their most practical and rational use."

The committee will hold meetings alternately in Argentina and Chile and will inspect the sites.

Argentina wants the technical committee to first "study the proposal of the private sector of Jujuy Province, submitted by that provincial government, in relation to the use of the Jama Pass."

Regarding terrestrial transport, the two delegations agreed on the need to grant permanent permits to all authorized companies to carry cargo between the two countries and to put an end to the current system of 6-month permits.

The two delegations also agreed to suggest to the two governments the need to establish mechanisms of cooperation and coordination to protect the environment.

In this regard they referred to the deterioration of the ozone layer over the Antarctic. They agreed to study the possibility of establishing a subcommittee to cooperate on this issue, which has created concern among the Argentine and Chilean Governments and their people.

Caputo on Argentine Solidarity With Peru

PY0507142788 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1352 GMT 5 Jul 80

[Text] Buenos Aires, 5 Jul (NA)—This morning Argentine Foreign Minister Dante Caputo stated that Argentine solidarity toward Peru has been clearly shown at

regional forums such as the "Group of Eight." He added that he has no evidence that Peruvian President Alan Garcia had criticized Argentina.

This was Caputo's reaction to media reports that the Peruvian chief executive had stated that Argentina and Brazil had left Peru alone in its decision to reduce foreign debt payments. Caputo made his remarks at the Coliseo Theater where he opened a congress on Italian immigration.

Navy Chief Comments on Upcoming Visit to U.S.
PY0507033288 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2155 GMT 4 Jul 88

[Quotation marks as received]

[Text] Buenos Aires, 4 Jul (NA)—Today Admiral Ramon Arosa, chief of staff of the Navy, said that the United States "is not interested in purchasing Argentine-made conventional submarines." He also admitted that "alternatives are being discussed" for the recovery of combat aircraft that have been retained in Israel as a consequence of the war over the Malvinas.

The Navy chief of staff confirmed that Washington "has blocked the sale" of combat aircraft to the Navy, and he refused to disclose what "alternatives" are being analyzed "because, for the time being, they are only plans."

During an exclusive interview with NOTICIAS ARGENTINAS, Arosa disclosed that he will visit the United States from 4 August until 18 August in response to an official invitation extended to him by the U.S. Navy.

Arosa said: "This is the first time in 15 years that the U.S. Navy has extended an official invitation to an Argentine chief of staff." He added that during the visit, "I will have a chance to meet with Admiral Crowe, chairman of the U.S. Joint Chiefs of Staff, the same admiral who held a news conference yesterday to discuss the downing of the Iranian aircraft by a U.S. cruiser in the Persian Gulf.

Regarding the possibility that the U.S. Navy might place an order for conventional submarines produced in Argentina, Arosa said that "for the time being," that country is not among those interested in purchasing the "Santa Cruz-type submarines built under German license by the Domecq Garcia shipyards."

It was rumored recently that the U.S. Navy was studying the possibility of acquiring 30 conventional submarines and that it had thought of ordering them from Argentina.

Regarding the possibility that the Argentine Navy might acquire combat aircraft or that Israel might deliver aircraft that have already been purchased but are being retained in that country, Arosa said: "There have been no new developments since the United States blocked the sale."

The type of aircraft that the Navy is seeking to obtain will replace the "A-4Q," which were used during the Malvinas war but are now obsolete.

Arosa said: "Alternatives for their recovery are being analyzed, but I cannot tell you what will be done, because, so far, they are just plans."

He admitted that during his visit he would propose that the United States provide Argentina with training aircraft, that is, with no fitted weapons, which would serve to train pilots for the Super Etendard."

"We want to lease them, as we have done in the past" said Arosa.

Regarding the sale of Type-42 destroyer "Hercules"—Brazil is one of the countries interested in acquiring it—Arosa said: "Many countries have shown interest during the past few years, but any operation in the weapons market usually takes time.

He added that "there are many alternatives in which not only economic but also political problems must be settled.

The Navy chief of staff explained that "the Navy considers the sale of those units a valid alternative by which to resolve the problems that the country's current economic situation is causing."

Regarding his upcoming visit to the United States, Arosa said that the final plans "have not been made yet," but he said he will visit Washington; Norfolk, where the South Atlantic command naval base is located; San Diego; and other areas where there are naval bases.

He admitted that during the meetings he will hold with various high-ranking U.S. Navy officers, "the possibility might come up" to discuss the needs of the forces in order to clear the way for possible sales of naval materiel.

During the interview, Arosa commented on the results of his recent participation in the Inter-American Naval Conference, noting that all those countries that have navies will participate" in the upcoming joint maneuver, known as "Americas."

Arosa explained that "no country had opposed the idea," and he added that it will be a "combined" operation "alternately conducted by the participating countries."

He said that "the basic difference between this exercise and "Unitas"—in addition to the conduct of the operation—is that the operation will take place exclusively in American waters since all the vessels will sail around the subcontinent, forming a task force that will be joined by the largest possible number of units of the country in whose waters the force is sailing."

The Navy chief of staff explained "one of the advantages of this type of joint maneuver is that it can be lengthy."

"It also allows for the possibility of operating in different geographic and climate zones."

Arosa explained, however, that the "Americas" operation will not replace the "Unitas" maneuvers, which are organized by the United States.

He said that "currently, we are planning how to resolve the logistical problems and the issues related to the operation's command and communications."

Air Force Deputy Chief Meets With Commanders
PY0507203888 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1620 GMT 5 Jul 88

[Text] Buenos Aires, 5 Jul (NA)—Today Brigadier Claudio Correa, Air Force deputy chief, met with area commanders to discuss "routine matters," an Air Force source reported today. He denied that it was a "high commanders" meeting.

The source said that "the commanders of different Air Force areas met with the deputy chief to talk over routine matters, so that they might be in position to advise the Joint Staff chief."

However, the same source admitted that the Air Force area commanders and the Air Force deputy chief, acting as an evaluation board, reviewed the various cases pending in the wake of retirements at various institutional levels.

Commenting on the meeting of Correa with the area commanders, the source said that "this takes place almost every day."

It is almost certain that one of the routine matters they discussed was the recent publication of a document on national defense strategy that apparently was prepared with the approval of the Air Force chief.

Other sources pointed out that some portions of the document refer to what is known as the Schematic Plan for the Air Force Re-Equipping for the Year 2000 (PERFA 2000).

Another likely subject of discussion was the status of the "MARA" project, which refers to the standardization of Mirage and Dagger planes so that pilots may have a unified system of navigation and fire control and another system of countermeasures to missile attacks.

It is also possible that they had considered the possibility of continuing other projects under the current budget, as well as the internal repercussion of the Condor missile, which has a range of 1,000 km.

Army Chief of Staff Addresses Retiring Colonels
PY0107035888 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 2120 GMT 30 Jun 88

[Text] Buenos Aires, 30 Jun (NA)—Today Army Chief of Staff Lieutenant General Dante Caridi recalled the struggle against subversion by saying that the use of force "saved Argentina from the yoke of international Marxism." He also reaffirmed "the national will for the definite recovery of the Malvinas Islands, whose usurpation continues to harm the soul of the Republic."

In his farewell speech to colonels retiring this year, Caridi said: "Thanks to your decisive participation, we were able to safeguard our basic national institutions and recover our constitutional order and the state of law which the Army fully advocates together with all other Argentines."

Caridi spoke to the colonels during a ceremony at the Libertador building this afternoon. Colonel Carlos Sicardi also spoke and praised the actions of the Army for preventing "atheist and nihilist materialism from destroying our motherland, as it generously spilled its blood in our southern archipelago."

Caridi afterward said: "This is not merely an acknowledging or farewell ceremony; rather, it is a convocation by which your military uniform—a military symbol and distinction, which you will keep for the rest of your lives—will be a token of your permanent commitment to the country and the Army."

"The Army to which you will continue to belong summons you to remain as the tools of its institutional policy, serving the interest of the motherland," he added.

In a clear appeal to young officers—many of whom were involved in the Holy Week and Monte Caseros uprisings—Caridi said that "the example of a whole life of teaching must persuade the young officers who constitute the young blood of the Army to preserve their faith in the essential virtues of a soldier: subordination, discipline, loyalty, and courage."

He then said that "experience, knowledge, prudence, and capability to reflect must be transmitted from generation to generation to all the links of this chain which guarantees and safeguards the integrity of our country."

Finally, he exhorted the colonels "to continue serving" the Army from "their new condition with the same dedication as always."

Generals Wenceslao Abbate, Jorge Bianchi, and Mario Candido Diaz, who are Army deputy chief of staff, inspector, and chief of personnel respectively, also attended the ceremony.

In name of the retiring colonels, Sicardi said: "Now, we will represent to the active duty officers what the retired officers meant to us: An example to follow, a point of reference for their actions, and encouragement to decide."

"We are now part of the Army reserve and we will be willing as usual to always follow our national flag to defend it even with our lives."

Further Request for Extradition of Officers
PY0407215888 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1524 GMT 4 Jul 88

[Excerpt] Buenos Aires, 4 Jul—Today Federal Judge Nestor Blondi reiterated a request for extradition of four Uruguayan military officers charged with abducting and torturing Uruguayan citizens in Argentina during the last military regime.

The judge asked the Argentine Foreign Ministry for information on the request for extradition filed more than a year ago, which the Uruguayan Government has not answered yet.

The Uruguayan officers charged with violating human rights operated at the clandestine center known as "Automotores Orletti," in the Flores neighborhood of this capital, where more than 20 Uruguayan citizens were held under arrest and tortured.

The Uruguayan officers were led by Jose Nino Gavazzo, who at that time was major in the Uruguayan Army, and officers Manuel Cordero, Jorge Silveyra, and Hugo Campos Hermida, who were identified as the main repressors of that clandestine center, headed in 1976 by Argentine General Otto Paladino. [passage omitted]

Protest Against Nuclear Waste Processing Plant
PY0507124388 Buenos Aires TELAM in Spanish
0040 GMT 5 Jul 88

[Excerpt] La Plata, 4 Jul (TELAM)—The Environment Protection Association, headed by Esteban Echeverria, has protested the establishment in Marunha of a nuclear fuel and other highly radioactive waste material reprocessing plant at the Ezeiza Nuclear Center.

The communique issued by the association—which has the support of the Buenos Aires Province Medical Federation (FEMEBA)—warns that the operation of this plant could threaten the health and the lives of millions of people.

After pointing out that the National Commission for Atomic Energy (CNEA) has asserted that this laboratory will only produce 15 kg of plutonium per year, the communique states that they consider it highly dangerous, since plutonium is the most toxic known substance capable of causing—even particles of a millionth of a gram—cancer and of altering the genetic structure of living species. [passage omitted]

Bolivia

Ministry Warns Coca Farmers on Disruptions
PY0507145588 La Paz La Red Panamericana
in Spanish 1130 GMT 5 Jul 88

[Text] The Bolivian police will not allow the coca farmers to disrupt public peace and order. According to an Interior Ministry communique, measures to prevent any action against public order are being adopted. The police will closely observe the demonstrations that are being prepared for the next few hours by the coca farmers.

The coca farmers reject the Controlled Substances Law because it is against their interests. They demand special treatment for coca production because it is the economic base of thousands of peasant families.

The Interior Ministry has warned them that it is not wise to adopt violent measures hastily, adding that the Controlled Substances Law will be analyzed by Congress, the only institution entitled to do so.

Substitution Plans Discussed
PY0507162988 La Paz La Red Panamericana
in Spanish 1130 GMT 5 Jul 88

[Text] Alternative Development Under Secretary Anibal Aguilar Gomez has said that coca farmers must understand that the government does not want to destroy coca plantations by force. On the contrary, the government is willing to peacefully substitute coca crops through programs that will help the farmers development.

Aguilar said that it is not wise for coca farmers to start demonstrations in their regions at this moment since Congress is analyzing the coca issue and the struggle against drug trafficking.

He recalled that Bolivia receives international cooperation in carrying out coca substitution plans that will allow sustained development in the region through crop diversification.

Economic Team To Join Paris Creditors Meeting
PY0207022488 La Paz La Red Panamericana
in Spanish 0000 GMT 2 Jul 88

[Text] The Ministry of Planning and Coordination has announced that the Bolivian mission scheduled to participate in the meeting of the consultation group on Bolivia will leave on 2 July to Paris, where international financing organizations and countries friendly to Bolivia will meet.

The report says that the Bolivian mission will be headed by Planning Minister Gonzalo Sanchez de Lozada, who will be accompanied by Under Secretaries Fernando A. Cossio and Fernando Candia.

The executive director of the Social Emergency Fund and other professionals will travel with the delegation. They will submit important development projects to the financing organizations meeting.

Planning Ministry authorities said that the meeting is being promoted by the World Bank due to recent agreements with the IMF.

According to the source, this will allow Bolivia to renegotiate the more than \$300 million of the country's bilateral debts with the club of creditor banks which also meets in Paris.

The source also confirmed that the delegation will submit the plan of the Regional Development Fund that was approved by the government on 1 July among other investment projects, as well as the government economic program, to the financing organizations meeting.

Interest Forgiveness Plan

*PY0207135288 Madrid EFE in Spanish
2256 GMT 1 Jul 88*

[Excerpt] La Paz, 1 Jul (EFE)—Today Planning Minister Gonzalo Sanchez de Lozada announced that Bolivia will request the Paris consultative group, which will meet from 6 to 17 July, to forgive the interest on the debt contracted with the United States, Japan, FRG, Brazil, Argentina, and other countries.

The forgiven interest would serve to finance a fund for regional development, which the Council of Ministers put into operation today with the signing of Decree No 21,927, said Sanchez de Lozada at the conclusion of the cabinet meeting.

He explained that the regional fund will operate initially with 67 million pesos (\$28 million), which will be increased with donations and forgiven interest of the bilateral debt. He added that "we hope the request will be accepted by the creditors." [passage omitted]

Bedregal on Upcoming Visit of Brazilian

*PY0407151788 La Paz La Red Panamericana
in Spanish 1130 GMT 4 Jul 88*

[Text] The Bolivian Foreign Ministry is expecting the arrival of Brazilian Deputy Foreign Minister Paulo Tarso Flecha de Lima on 16 July.

Foreign Minister Guillermo Bedregal said that the Brazilian deputy minister's visit is important because he will approve the basic documents to be studied by the permanent Brazilian-Bolivian joint commission.

Paulo Tarso Flecha de Lima is bringing a greetings message from President Jose Sarney, who is scheduled to arrive in La Paz on 31 July for a 4-day visit.

The joint commission will meet throughout the upcoming days to seek total complementation within the framework of integration between the two countries.

Foreign Minister Bedregal said that Bolivia intends to sign documents to strengthen the ties of friendship between the two countries.

Brazil

Sarney Deplores on Iranian Plane Downing

*PY0507161388 Brasilia Domestic Service in Portuguese
1000 GMT 5 Jul 88*

[Text] Foreign Minister Roberto Abreu Sodre has reported that in Beijing, President Jose Sarney deplored the incident regarding the Iranian plane.

[Begin Sodre recording] When the president learned of the incident, he deplored it. The incident was an accident of war, he said. Then he declared that wars are the cause of these deplorable incidents and that we all must work to eliminate war from the earth, because they are the cause of deplorable disasters such as this. [end recording]

In Brasilia, Itmaraty released an official note on the incident.

Reportage on Sarney's PRC Visit

For additional reportage on the visit to the PRC by President Jose Sarney, see the Latin America & Caribbean subdivision of the International Affairs division of the 5 July China DAILY REPORT and subsequent issues.

Constitution Draft Submitted to Guimaraes

*PY0607005288 Brasilia Domestic Service in Portuguese
2200 GMT 5 Jul 88*

[Excerpt] The Constituent Assembly has officially concluded the penultimate phase of its work. The text of the new constitution, which was approved during the first phase of the work, has already been organized by the Assembly coordinators. Today the text was submitted to Deputy Ulysses Guimaraes, president of the Assembly.

The ceremony was held in the office of the president of the Chamber of Deputies, which turned out to be too small for the large number of leaders who attended. Among the leaders were Coordinator Bernardo Cabral, who displayed the first two volumes of the text of the new constitution on a table; acting Constituent Assembly President Mauro Benevides; Senate President Humberto Lucena; and Ulysses Guimaraes, who holds four presidencies because now he is also in charge of the Presidency of the Republic.

Guimaraes showed the new constitution draft to reporters and cameramen, displaying it as if it were a trophy. He praised the work of the Assembly coordinators,

adding the Constituent Assembly's work represents a step forward with respect to the constituent assemblies of the past. [passage omitted]

South African Seeks Political Asylum

PY0207165388 Madrid EFE in Spanish
0244 GMT 2 Jul 88

[Text] Salvador, 1 Jul (EFE)—Abule Magasi, the South African guerrilla who arrived in Brazil in early June after escaping from a jail in South Africa, has asked the Brazilian Government to grant him political asylum, according to information released here today.

During a press conference in Salvador, Bahia State, the 26-year-old Magasi explained that he has been fighting since he was 19, when his father, a militant of the African National Congress, took him out of school because he did not want his son to learn "to serve the whites."

Magasi explained that after escaping from prison together with other inmates, he arrived in Port Isabelle, where he boarded the Cypriot freighter "Giorvas" as a stowaway.

He said he was "fascinated" by the new world he discovered in Salvador, a northeastern coastal city populated mostly by blacks. He said: "I am still surprised to see whites and blacks lunching together in the same restaurant or walking together on the streets."

Chile

Education Minister Denies Pressuring Teachers

PY0207010188 Santiago Radio Chilena Network
in Spanish 2300 GMT 1 Jul 88

[Excerpt] Education Minister Juan Antonio Guzman said that teachers are free to vote like everybody else in the upcoming plebiscite. The minister denied the charges that pressure is being exerted by some municipal officials on teachers to support the government.

This is how Minister Guzman responded to the charges made by the Metropolitan Council of the Teachers Union, which denounced the pressures from mayors.

Guzman said: I know nothing about it. The mayors are under the jurisdiction of the Interior Ministry, but citizens are free to vote as they like in the upcoming plebiscite.

Regarding the meetings he held with teachers in the last few weeks, Guzman said he conveyed to them the government educational policies and their medium- and long-range programs. [passage omitted]

Bio Bio University, Students Reach Agreement

PY0407150888 Santiago Domestic Service in Spanish
1030 GMT 4 Jul 88

[Report from Concepcion]

[Text] Today Bio Bio University is returning to its normal academic activities as a result of an agreement reached by the special commission appointed by the university and the Students Federation after 3 weeks of a strike.

According to the academic schedule, the exams for this quarter start today, but in order to help the students, the university decided to postpone the exams until the second half of this month. The university also promised to study the cases of students who want free meals.

4 Bombs Cause 'Serious' Damage in Santiago

PY0107135888 Santiago Domestic Service in Spanish
1030 GMT 1 Jul 88

[Text] In Santiago last night four bombings caused serious damage. According to police reports, the bombings occurred between (?2150) and 2250. The first bomb attack was against the Mortgage Development Bank at the intersection of Los Leones and Coronel Streets in Providencia District.

A few minutes later another powerful bomb exploded at the Edwards Bank branch located on Gran Avenida in San Miguel district.

Another bomb, made up of ammonium nitrate fuel oil and ammonium gelignite, exploded at the Development Bank branch office at the intersection of Irrazaval and Los Tres Antonios Streets, last night at 2240.

A fourth bomb exploded at the Bank of Santiago at the intersection of [names indistinct].

No casualties were reported in any of the four bombings.

MIR Takes Credit

PY0207184388 Madrid EFE in Spanish
1745 GMT 2 Jul 88

[Text] Santiago, 2 Jul (EFE)—Today the Movement of the Revolutionary Left (MIR) claimed responsibility for the bombings that seriously damaged six bank branches in Santiago on 30 June.

The extreme left-wing organization left communiques in restrooms of public establishments, where they were picked up by journalists. In these communiques the MIR claimed responsibility for the bombings, which caused no casualties. The MIR also threatened to "execute" those who inform against them.

'Common Criminals' Steal Explosives

*PY0207011088 Santiago Radio Chilena Network
in Spanish 2300 GMT 1 Jul 88*

[Text] The police revealed that two common criminals stole explosives in order to gain the confidence of the Manuel Rodriguez Patriotic Front [FPMR]. The men are Jose Alberto Arabena Concha and Manuel Jesus Baez, 45 and 40 years old, respectively.

The two criminals were accused of six robberies, including stealing goods worth about 4 million pesos. The criminals were found with 15 dynamite sticks, plastic bombs, 18 detonators, 36 fulminate powder boxes, 30 meters of slow burning fuse, and a Peugeot 404, which was used as a cab.

Regarding the explosives, Arabena told police that he was planning to approach the FPMR, and this is why he decided to conduct some actions to get the confidence of this subversive organization.

The two criminals and the explosive material will be handed over to the second military prosecutor.

Briefs

Yes Vote Movement Created

Santiago, 2 Jul (EFE)—At a news conference held today, former Christian Democratic Minister Juan de Dios Carmona announced the creation of the Yes Vote Christian Movement [Cristianos por el Si] and his election as head of the movement. [Excerpt][PY0407183188 Madrid EFE in Spanish 0013 GMT 3 Jul 88]

Colombia

Minister Gaviria on Efforts To Free Gomez

*PA0607003088 Bogota Inravisión Television Cadena 1
in Spanish 1732 GMT 5 Jul 88*

[Report on interview with Government Minister Cesar Gaviria Trujillo by Alvaro Ayala—place and date not given]

[Text] Today the Colombian government minister said that he traveled to Cuba over the weekend to meet with a group of mediators in an effort to obtain Dr Alvaro Gomez Hurtado's release. Gomez Hurtado has been held hostage for 37 days by the M-19 guerrilla group.

[Begin recording] [Gaviria] Yes, I was in Cuba this weekend to work on what we consider to be timely, absolutely necessary efforts to obtain the prompt release of Dr Gomez Hurtado.

[Ayala] Minister Gaviria, whom did you see in Cuba?

[Gaviria] Actually, as I have said, the government does not consider it appropriate to disclose details on the various efforts being made, as I have said, to obtain Dr Gomez' prompt release.

[Ayala] Is the government optimistic about these negotiations?

[Gaviria] Well, we cannot say that we are currently at the negotiating stage. We are at the stage of establishing contacts with people who could eventually help us obtain Dr Gomez' release. [end recording]

With a book on Fidel Castro's life inside his official vehicle, Minister Gaviria Trujillo left for Narino Palace to brief President Barco on the results of his Cuban trip. Although the minister did not mention the names of the people with whom he met, it has been reported that several intellectuals and supporters of the revolution in Latin America attended the meeting.

Media To Limit Reportage of Terrorist Acts

*PA0307034888 Bogota Inravisión Television Cadena 2
in Spanish 0100 GMT 3 Jul 88*

[Communique issued by "all television newscasts and by the main newspapers and radio networks"; read by "Crypton Newscast" Director Alejandro Montejo—date and place not given]

[Text] 1. We shall not release texts of proclamations, messages, or communiques issued by terrorists or kidnappers.

2. We shall not interview abducted people, transmit recordings with their voices on them, or publish documents signed by them.

3. Neither the media nor media employees shall agree to replace national authorities as agents in a negotiation except when the authorities so request and authorize it.

4. In cases of extortion, abduction, seizure of hostages, or occupation of diplomatic installations, enterprises, or installations belonging to national or international institutions, the media shall report on the events, even if the information comes from the ones carrying out those actions, but no propaganda or justification given by the groups involved in the aforementioned actions will be added to the purely journalistic information.

5. The media shall not allow themselves to be pressured by competition in such a way that it would affect their responsible journalistic criteria regarding the volume and effect of the information to be reported.

'Subversive Group' Massacres Peasants in Meta
PA0407142588 Bogota Inravisión Television Cadena 1
in Spanish 0100 GMT 4 Jul 88

[Text] There has been a new massacre of peasants in Colombia, this time on a highway in Meta Department. This afternoon an unidentified subversive group killed 17 people, including 4 children. Miryam Ortiz presents the report on this new massacre of farmers.

[Begin Ortiz recording] The peasants were traveling from El Castillo to Granada when they were caught by surprise by their assailants, who first fired on them and then used machetes to complete their massacre. This act of genocide occurred at a place known as (El Planchon), near the Ariari River. In addition to the 17 dead, there were several injured, who are being cared for at the Granada hospital, while others were transferred to Villavicencio.

The bodies of those who died in the attack will be sent home tonight. [end recording]

Paraguay

Currency Devaluation, Rate Hikes Authorized
PY0507034388 Asuncion Cerro Cora Sistema
Nacional Television in Spanish 2310 GMT 4 Jul 88

[Excerpt] The national economic coordination council has made several significant decisions. The exchange rate for meeting foreign debt obligations has been increased from 240 and 320 guaranis to the U.S. dollar to 400 guaranis to the dollar. The council has also authorized Antelco [National Administration of Telecommunications] and Corposana [Water and Sanitation Corporation] to increase their rates by 15 and 10 percent, respectively, starting 1 July. ANDE [National Electric Power Administration] was authorized to increase its rates beginning January 1989 by 10 percent monthly until the total increase reaches 30 percent. This increase is in addition to the current monthly increases on its rates. We have the remarks by acting Finance Minister Carlos Ortiz Ramirez.

[Begin Ortiz recording, in progress]...the foreign debt and everything having to do with exports will go from the previous rates of 240 and 320 guaranis to the dollar to 400 guaranis to the dollar. Interest rates have been also adjusted, and the new list will be released today or tomorrow. [passage omitted] [end recording]

Unions Demand Release of Imprisoned Leader
PY0407214688 Asuncion EL DIARIO in Spanish
3 Jul 88 p 10

[Text] Yesterday the Inter-Union Workers Movement [MIT] issued a communique reporting the "arbitrary arrest" of a labor leader of the construction sector.

The communique, addressed to the workers and the public, states that "National Construction Workers Union (SINATRAC) leader Sever Gimenez was arrested yesterday at 0800 at his place of work, a few days after the creation of a committee of workers at the same place. Several fellow workers had been warned by the company for which they are working that they should not organize the committee. SINATRAC members have been dismissed. Fellow worker Sever Gimenez is being held incommunicado, and his whereabouts are unknown. Before the national and the international public, MIT demands the release of fellow worker Gimenez."

SINATRAC also issued a statement "repudiating" the arrest of its leader Sever Gimenez, who is the alternate delegate to the committee of workers of the Dominguez Construction Co. The statement says that "SINATRAC demands the prompt release of the arrested worker and upholds the workers' right to form associations."

Peru

Garcia on PRI, Admiration of Shining Path
PY0507114488 Madrid EFE in Spanish
2150 GMT 5 Jul 88

[Text] Lima, 4 Jul (EFE)—During a recent speech not publicly disclosed until today, Peruvian President Alan Garcia criticizes the governing Mexican party, Argentina, Brazil, and the process of turning Latin American youth into "idiots" [idiotizacion].

Garcia also referred to an "all-encompassing plan to nationalize the land and industries," announced his determination to "control the content" of television programs, and confessed his "admiration" for terrorists' wholehearted devotion to their cause.

The president's speech stirred up a strong internal polemic today, when it was disclosed. He gave an impromptu address 43 days ago to 400 delegates of his APRA party during a private meeting which was closed to the media in Ayacucho.

Rightist leader Luis Bedoya Reyes, president of the Christian Popular Party (PPC), requested "a 90-day leave" for the chief of state in order for the country "to recover the confidence it has lost in the government."

Garcia asserted that he will "never" again run for the Presidency of Peru, criticized the APRA's infighting that has turned it into a "nest of maggots," and said that he was opposed to his party continuing to govern after the 1990 elections.

"If in the space of 3 years alone we have created a nest of maggots, in the space of three consecutive terms in office we will end up worse than the 'PRI,' all of us rotten, everyone of us. That type of party, fellow partisans, has rotten youth who respond to bribes and chieftains," said Garcia, referring to the governing PRI in Mexico.

In referring to the results of his economic policy to pay the foreign debt with 10 percent of export income, Garcia added that some countries have followed Peru's example, but we were "then left alone."

Garcia said that Argentina and Brazil, specifically, followed the Peruvian idea, but they then "abandoned us and now do not want to join us because we are lepers."

He added that those countries "use" Peru for their negotiations with the IMF.

"They visit us only when they are negotiating with the IMF, in order to pressure the IMF and say to them: 'If you do not give us what, we want we will do the same thing Peru is doing.'"

He reiterated his government's "anti-imperialistic" position, adding that even though it is a Latin American banner, his government was left alone in this effort, which has served to "support Nicaragua."

"Everyone had already abandoned Nicaragua when we promoted its defense" through the Group of Eight, in which Peru, he said, fulfilled a "major role" which managed "to keep Nicaragua outside the influence of imperialistic threats."

Garcia said that little has been done for Nicaragua because "Latin American youth have been turned into idiots."

"Latin American youth have become idiots through the cultural colonialism of television, novels, and pamphlets," he added.

Garcia admitted that the decision to nationalize the banking system was his own "personal" decision, and he charged that his party "hesitated" and behaved in a "cowardly" manner in the effort to rapidly approve the plan, which was set in motion in July 1987 and has not yet been implemented.

Concerning the Maoist Shining Path movement, Garcia said that this organization "has active, devoted, and self-denying militants." He criticized the rank-and-file sector of his party, stressing that "those people (the rebels) deserve our respect and have my personal admiration because they are militants."

Clarifies Remarks

PY0607031488 Lima Television Peruana in Spanish
0100 GMT 6 Jul 88

[Press conference held by President Alan Garcia with unidentified reporters "during a presidential visit to Energy and Mines Minister Abel Salinas"; place and date not given—recorded; broadcast in progress]

[Excerpts] [Reporter] ...(?cassette) that has been disseminated over the past few days with a speech you gave to the APRA youth in Ayacucho in which you said that you admire the mysticism and courage of the Shining Path. What is the interpretation of this statement?

[Garcia] I thank you for your question, because even a responsible newspaper like EL COMERCIO has voiced its concern over this issue. First, it is necessary to analyze both the context within which something is said and the meaning that one wants to convey through the words. Second, all that was said is true.

All of us know that terrorism and the Shining Path are our country's major problems and most serious scourge. This is true and that will continue to be true over the next few years. All of us know that the government's major duty is to eliminate terrorism and subversion. The important thing is whether we know how to analyze the psychological features of our enemy. Whoever confronts an enemy without analyzing his psychological features is fighting in the dark and will fail.

We must admit that Shining Path members have messianic fanaticism and fanatic mysticism in their beliefs and that they are organized. However, though we are aware that this problem is not only a military one, have placed all the responsibility on the shoulders of the police and the Armed Forces.

Our civilian society—this is true and I will reiterate it—does not have the combative mysticism of democracy needed to confront subversion and the Shining Path. Everyone is aware of this. The fact that we admit that subversives have conviction and fanaticism should not surprise us. To admire something does not mean that it is good. The dictionary says that to admire is to be surprised at something. It is surprising that fanaticism, conviction—which we could call mysticism—should be only on the other side.

Have we, as a civilian society, assumed our duty to fight the Shining Path with a mystical attitude and with devotion?

We have usually placed this responsibility on the police and on the Armed Forces, which have sustained daily casualties and losses. Subversion, however, is everywhere. Subversion easily spreads within society. [passage omitted]

There is unwillingness to punish Shining Path members. Subversives and Shining Path members use the news and the media to their own advantage; they resort to scandal. Instead of adopting a resolute attitude to struggle against the Shining Path, we think about how to get a bureaucratic job. We—even the members of the revolutionary party—at times think about how to improve our position, our jobs, and our possibilities. How shall we fight the Shining Path forcefully with a country like this? This is what I wanted to say.

I wanted to call attention to this. We have to admit that these murderers have fanatical devotion. We have no fanatical devotion for democracy. We do not have a strong, mystical commitment to democracy. We just wash our hands and let the police and the Armed Forces try to find a military solution to the problem. But this problem calls for comprehensive response, that is, each citizen should have a

psychological attitude of emotional strength, mystical devotion, and faith. That is why I said—and I reiterate now—that we will succeed in the struggle against subversion and against the Shining Path if everyone of us assumes his own responsibility. [passage omitted]

[Reporter] Mr President, some political analysts, however, have said that in your speech in Ayacucho you praised the image of the Shining Path. Is this true?

[Garcia] No, that is totally false. Anyone who carefully reads what I have said, which is what I am saying now, will realize that what I did was to make a comparison. The Shining Path is blind, fanatical, and murderous. Yet it has conviction. What have we Peruvians shown in our democracy? What have the majority of us shown? We have almost washed our hands of this problem. Isn't that true?

I do not say things... [changes thought] The point is that I say things in such a crude manner that many are surprised. But I am telling the truth. My duty as president is to call the attention of the entire nation. We will not win the war against subversion if we believe that this war is to be waged only by policemen and soldiers. Subversion must be defeated in the schools and universities. Subversion will be defeated only if those who hold positions, for example an APRA member who is a public servant, devotes more than 8 hours a day to his job. He and his fellow workers and assistants should wholeheartedly join the struggle in order to show that the state has changed. This will allow us to achieve a psychological victory over subversion. This is what I wanted to say. Everyone has been surprised at the crude manner in which I said it, but it is my duty to use this language, because it is necessary to call the attention of the nation to a problem we will have to confront for a long time if we do not find a solution now, if we do not become the soldiers of democracy through an attitude of mystical devotion to democracy.

[Reporter] Mr President, Dr Luis Bedoya Reyes has said that you may be under stress and that you should ask for a 90-day leave and leave the Presidency to Vice President Luiz Alberto Sanchez. What would be your answer to this suggestion?

[Garcia] Look, I do not usually respond to other people's opinions, particularly if they come from major leaders. Dr Bedoya has recommended a leave of absence because he is an expert in taking leave. In fact, he has been on political leave for 20 years. I am very sorry, but I have a constitutional duty to fulfill and an obligation to Peru. Part of my duty is to awaken the consciousness of Peru, calling the attention of the nation, particularly of the APRA youth, asking them to become true militants. I cannot expect that all of the people will give all of their time in the struggle for democracy and in the fight against subversion. But I must demand this from all my fellow party members. I must demand that my own party always resist the temptation to either seek bureaucratic

positions or satisfy unworthy ambitions. I must demand that every APRA youth become a preacher and a permanent soldier. [passage omitted]

18 Rebels, 13 Soldiers Die in Clashes
PY0507165588 Madrid EFE in Spanish
0339 GMT 5 Jul 88

[Excerpts] Lima, 4 Jul (EFE)—Today it was officially reported in Lima that 18 alleged Shining Path members and 13 soldiers were killed in clashes in the last 4 days in Ayacucho and Huanuco Departments.

According to a communique released by the National Central Security Zone Command, which is the military organization that enforces order in departments which have territories in states of emergency, the clashes occurred from 30 June to 3 July.

The communique says that on 30 June, an Army patrol clashed with a subversive unit in the Corihuarihuairana Hill, Huanta Province, in Ayacucho Department. Fifteen subversives were killed.

On 2 July, a clash occurred in the Runahuajusta region of the same province during which three terrorists were killed, and an officer and a soldier were wounded.

Arms, explosives, and detonators were seized after the clash.

On 3 July, 13 soldiers were killed when a considerable number of subversives staged a grenade attack against an Army vehicle carrying 16 soldiers near Puente Rondos, Huamalias Province, Huanuco Department.

The soldiers were returning to their base in Tingo Maria, 550 km northeast of Lima, after conducting civic action activities in the province.

The communique adds that after the attack, Army anti-subversive reinforcement patrols reacted and that another clash occurred but that "the result of this attack has not yet been determined." [passage omitted]

Since May 1980, when the Shining Path began its violent actions in Peru, 131 Peruvian Armed Forces officers, non-commissioned officers, and soldiers have been killed.

In total over 10,000 people have been killed as a result of subversive actions, including over 700 hundred already this year.

MRTA Terrorist Killed, One Injured in Lima
PY0207232388 Madrid EFE in Spanish
1934 GMT 2 Jul 88

[Text] Lima, 2 Jul (EFE)—Police have reported that one member of a terrorist group was killed and another one injured while throwing bombs and setting fire to gas stations in Lima today. The wounded man was detained. Two women, who accompanied the men in the attacks, escaped.

The police source said the men and women were members of an MRTA commando.

The "Tupac Amarus," as they are known in Peru, bombed two gas stations on Argentina Avenue and on the Central Highway in Lima, and then set them afire.

When they attempted to do the same at a third station, on the northern Pan-American Highway, police appeared at the site. During the shoot-out, one terrorist was killed and another one injured and later detained.

The Lima City Hall has reported that the injured terrorist is a San Marcos University student.

MRTA Take Credit for Attacks

PY0307233688 Madrid EFE in Spanish
0344 GMT 3 Jul 88

[Text] Lima, 2 Jul (EFE)—In a telephone call to the EFE news agency, the Tupac Amaru Revolutionary Movement (MRTA) claimed responsibility for the bomb attacks on three gas stations in Lima in which one MRTA activist was killed and another was injured.

The caller, who identified himself as "press official Pedro Rojas," said that the three attacks were in response to the 58-percent increase in fuel prices announced by the Peruvian Government last Monday.

The MRTA reported that in three simultaneous actions, they sprayed three gas stations in Lima with gasoline, set them afire, and placed bombs.

"This was in response to an announcement recently made by the government and especially to the increase in fuel prices, which means increased hunger and misery for the people," the caller added.

The Lima prefecture (civilian government) has reported that in the attack on the gas stations, an MRTA member was killed and another one was injured in a shoot-out between the "Tupac Amarus" and police.

Republican Guard Captain Killed in Attack

PY0107205788 Lima Television Peruana
in Spanish 1800 GMT 1 Jul 88

[Text] Today at dawn a terrorist commando killed Republican Guard Captain Luis Rojas Mendez and wounded Corporal Jorge Geronimo Guillen in an attack on an inter-provincial bus in which the two military men were traveling to Lima. The bus was coming from Ica.

Corporal Guillen killed one terrorist while repelling the commando. One passenger was also wounded during the attack. Rojas was killed while trying to capture one of the terrorists as he ran away. Rojas had been serving in Ayacucho.

A Republican Guard spokesman reported that the terrorist attack took place at 0300 today, at km 245 of the southern Pan-Americana Highway. The captain and the corporal were travelling on a bus belonging to the Soyuz-Ica transportation company.

Bus Drivers' Union Leader Comments on Strike

PY0507005588 Lima Television Peruana
in Spanish 1800 GMT 4 Jul 88

[Interview with Hernan Chang Lafoque, leader of the Peruvian Bus Drivers Federation, by unidentified reporter; date and place not given—recorded]

[Excerpts] [Reporter] Mr Hernan Chang Lafoque is a union leader of the Peruvian Bus Drivers Federation. He and other leaders of his federation are here at the Channel 7 studios of the "60 Minutes" program. Mr Chang, for time reasons we are conducting the interview this way. As one of the leaders, we would like to know from you about the situation. Why has the bus drivers federation staged a strike?

[Chang] Well, we have said this before and we must confirm it once more. The transportation sector is no longer going through a period of acute crisis, as it did in the past years...

[Reporter, interrupting] Is there no crisis in the transportation sector, then?

[Chang, continuing] ...when it actually entered a period of collapse. Buses that cannot be repaired disappear, and this problem has reached a very high level in the past few years...

[Reporter, interrupting] In a nutshell, why have you staged a strike?

[Chang] I just told you one of the reasons.

[Reporter] Then, it is because there are not enough buses?

[Chang] We have been discussing this problem with the central government, which is the only one that can resolve the problem completely. We have been holding talks for a little more than 2 years. Unfortunately, solutions have been proposed and efforts have been made, but they have not been implemented...

[Reporter, interrupting] Haven't you sponsored this strike to demand an increase in bus fares?

[Chang] Look, we must be very clear on this issue. Yes, the bus drivers are demanding a fair appraisal of the bus fares, but this is just a small part of the problem.

[Reporter] In other words, you have not actually staged the strike to get an increase in bus fares?

[Chang] No. In fact, the strike, which was reported in writing to the cabinet, with copies of the reason sent to the mass media, is aimed at having the Peruvian overland passenger and cargo transportation declared in a state of emergency. [passage omitted]

[Reporter] How long will this strike last? Just today?

[Chang] For 24 hours today...

[Reporter, interrupting] And tomorrow?

[Chang, continuing]...and for 48 hours on 11 and 12 July if the problems have not been resolved. [passage omitted]

Uruguay

Government Regrets Downing of Iranian Plane

PY0507115788 Montevideo Radio El Espectador
in Spanish 0930 GMT 5 Jul 88

[Text] In the last few hours the Foreign Ministry released a communique expressing the Uruguayan Government's reaction to the downing of a commercial Iranian plane in the Persian Gulf.

The communique states:

In view of the peaceful principles of its people, the Uruguayan Government expresses its deepest regret over the downing by U.S. forces of the Iranian plane.

The communique also expresses the deepest sorrow of the Uruguayan people and Government over the death of so many innocent people, and voices their hope that the regional conflict be peacefully solved in compliance with the provisions of UN Security Council Resolution No 598.

Foreign Minister Comments

PY0507165888 Montevideo Radio Libertad Sport
in Spanish 1600 GMT 5 Jul 88

[Text] Foreign Minister Luis Barrios Tassano regretted the incident in the Persian Gulf where the U.S. Navy shot down an Iranian commercial plane killing all 290 passengers. Upon leaving the Libertad building after meeting with President Sanguinetti, Foreign Minister Barrios Tassano said:

[Begin recording] [Barrios] I would like to express the consternation of the Uruguayan people and government [words indistinct] our condolences over the deaths. [Words indistinct] and to call on the two countries in conflict to find a peaceful solution to their problems. [passage indistinct]

[Reporter] The Iranian Government has not discarded [words indistinct]?

[Barrios] It is the effect of violence. Violence generates more violence. [Words indistinct] to attack the causes of violence, how violence acts. In this case the ideal would be to solve the conflict [words indistinct] because it would no longer be necessary to patrol the Persian Gulf. [passage indistinct] [end recording]

Deputy Italian Foreign Minister Meets President

PY0507142288 Montevideo Radio El Espectador
Network in Spanish 0930 GMT 5 Jul 88

[Text] Italian Deputy Foreign Minister Gilberto Bonalumi has told El Espectador that his country is interested in cooperating with Uruguay in the fields of textiles, leather, and agriculture and livestock production. Yesterday Bonalumi met with President Julio Maria Sanguinetti to analyze trade possibilities among other subjects.

The Italian official also told us that his country's participation in the construction of the Colonia-Buenos Aires Bridge has not been confirmed yet. He said the following regarding his meeting with Sanguinetti:

[Begin recording] [Bonalumi] We confirmed the strong friendship between Italy and Uruguay and stressed the need to increase technical cooperation. This will help improve our friendship.

We also analyzed several Latin American, European, and Italian issues. [Words indistinct] Uruguay continues to be a reference of stability and of perfecting democratic life.

The increase of this cooperation is certainly a positive result of our cooperation law which, in its first article, states that cooperation is a manner by which to develop Italian foreign policy.

[Reporter] How will Uruguayan-Italian cooperation be implemented?

[Bonalumi] It has started with a very significant action. Last week, the steering committee [comite direccional]—which is a mechanism of the Italian Foreign Ministry that handles this law—approved investments in a textile plant and in the fields of leather and [words indistinct]. We are now thinking of cooperation in the field of agriculture, through [words indistinct] machinery and [words indistinct]. [end recording]

Suriname

Shankar on Cooperation Possibilities With U.S.

FL0507200088 Paramaribo International Service
in English 1730 GMT 5 Jul 88

[Text] The Government of Suriname will gladly make use of the many possibilities for cooperation offered by the United States of America. This was remarked by President Ramsewak Shankar yesterday during a reception to mark the 112th [as heard] anniversary of the independence of the United States of America.

Shankar stated that the relation between the United States and Suriname leads back to the colonial period and has since come closer. The recent resumption of American aid to Suriname and declarations by the American President regarding the current status of Suriname have made a deep impression on the government of this country, said President Ramsewak Shankar.

New Ministry, Other Government Changes Made
FL0107175188 Paramaribo International Service
in English 1730 GMT 1 Jul 88

[Text] The Council of Ministers yesterday decided to restructure the various government departments. As of today, there are (now 14) ministries. A new ministry has been announced, and this shall be called the Ministry of Regional Administration. The police force is no longer part of the Ministry of Army and Police and now comes under the Ministry of Justice and Police. The Ministry of Army and Police has now been changed to the Ministry of Defense. The Ministry of General Affairs has been scrapped.

It isn't yet known who will head the Ministry of Regional Administration.

NDP Chairman on Need for Political Democracy
FL0507195188 Paramaribo International Service
in English 1730 GMT 5 Jul 88

[Broadcast in progress]

[Text] ...questionable. This was stated by NDP [National Democratic Party] Chairman Jules Wijdenbosch yesterday during a press conference.

The NDP thinks it is high time that political democracy in Suriname starts functioning. The government shouldn't put aside the constitution and organs such as the Security Council, the State Council, and the Advisory Council which should be retained, said Wijdenbosch. According to him, these are the organs which could deal with the problem in East Suriname.

The NDP sees the proper functioning of political democracy in Suriname and the application of international rules regarding terrorism as necessary conditions for the solution to the problem in East Suriname.

Government Spokesman on Rebel Clash, Killings
FL3006174688 Paramaribo International Service
in English 1730 GMT 30 Jun 88

[Text] Three soldiers of the national Army were yesterday killed by the Brunswijk gang. The soldiers were stationed at the oil palm company Patamacca, where they were on

guard duty. This company has been closed for 1 year now. The SURINAME NEWS AGENCY, which reported the deaths, said the soldiers were shot at by terrorists while on their way to a well. In the clash that ensued, two soldiers were killed instantly while four others were wounded. On their way to Paramaribo, one of the wounded soldiers died while the others three are now being treated at the hospital in Paramaribo. According to reports reaching our newsroom, gang members were also killed and wounded during the clash. The government spokesman has confirmed the clash and the killings.

Government Talks With Bush Negro Chiefs Slated
FL3006183588 Paramaribo International Service
in English 1730 GMT 30 Jun 88

[Text] Yesterday the government announced that now the time has come to have formal discussions with the granmans, the head chiefs in the interior of Suriname. These top officials will be invited shortly to Paramaribo for deliberations.

The government reached this decision after being informed by the delegation which, at the beginning of this week, held peace discussions with the Brunswijk gang. Until now nothing has been made known about the protocol which had been signed by the government delegation and the Brunswijk gang.

On his return from French Guiana on Tuesday, Bishop Zichem of the Committee of Christian Churches said that both the government and the Brunswijk delegation agreed that it's necessary to announce a cease-fire.

EC Funds To Help Improve River Transportation
FL0507201488 Paramaribo International Service
in English 1730 GMT 5 Jul 88

[Text] The Economic Committee of the EC has put 40.2 Surinamese guilders [figure as heard] at the disposal of Suriname and Caricom. This amount comes from a regional program of 204 million guilders which is part of the Lome trade treaty.

A Foreign Ministry spokesman told our newsroom this morning that Suriname and some countries from the Caribbean region will implement some projects together with the money put at their disposal.

Suriname will finance river transport facilities between the country and French Guiana, while the telecommunications network will also be improved.

